



Minnesota State Demographic Center

DEMOGRAPHIC TRENDS TRANSFORMING MINNESOTA

Minnesota Department of Revenue

Susan Brower, MN State Demographer

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Website: mn.gov/demography | Twitter: @MN_StateData

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Population Shifts
Aging of Population
Workforce Considerations
Growing Diversity

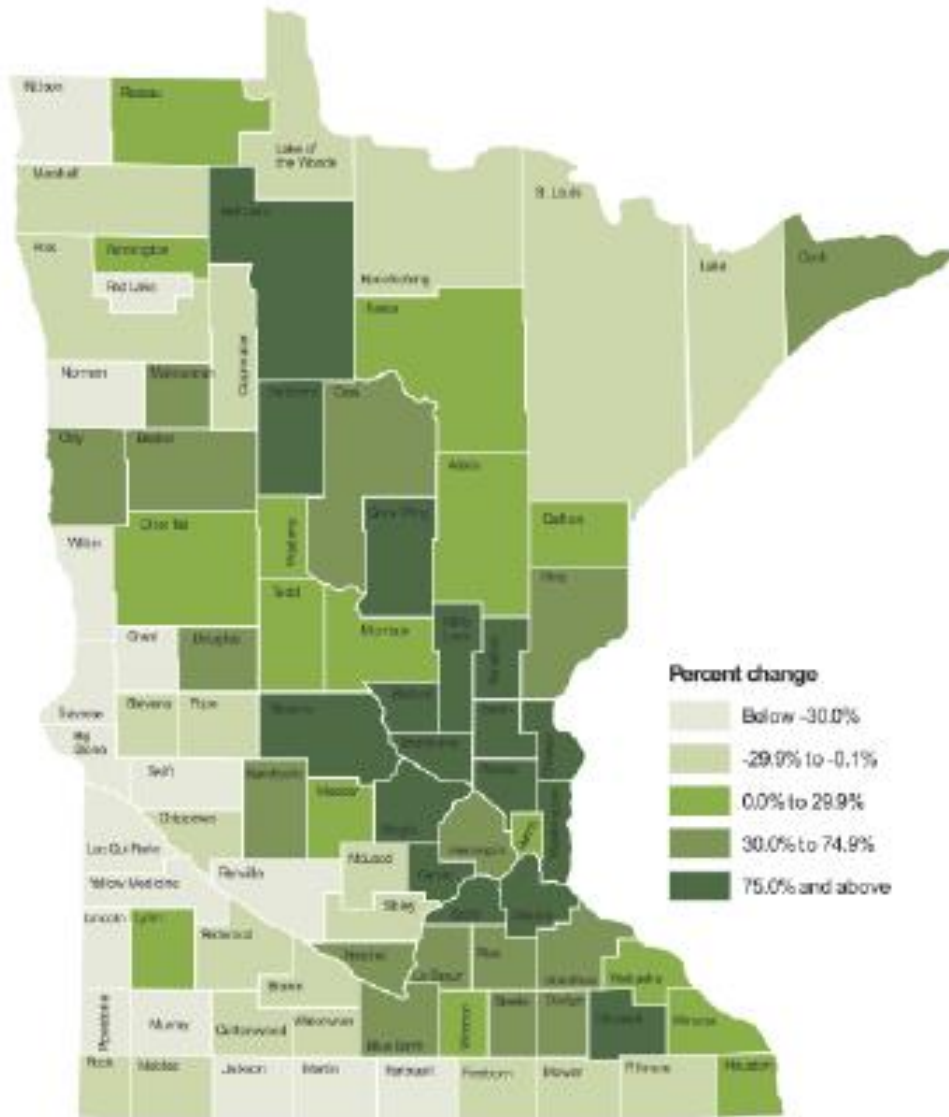
**MAJOR DEMOGRAPHIC TRENDS
SHAPING MINNESOTA**



Population Shifts

Long-term population change, 1960-2013

**The historic
view...
population
change since
1960**



Source: Center for Rural Policy, 2014

QUIZ QUESTION

Where do 1 in 5 of Minnesota's residents live?

A. The 7-county Twin Cities metro

B. Otter Tail County

C. Hennepin County

We are not evenly spaced across the state

5 largest MN counties in 2014:

1. Hennepin (1.2M residents, 22% of state)

2. Ramsey (530K, 10% of state)

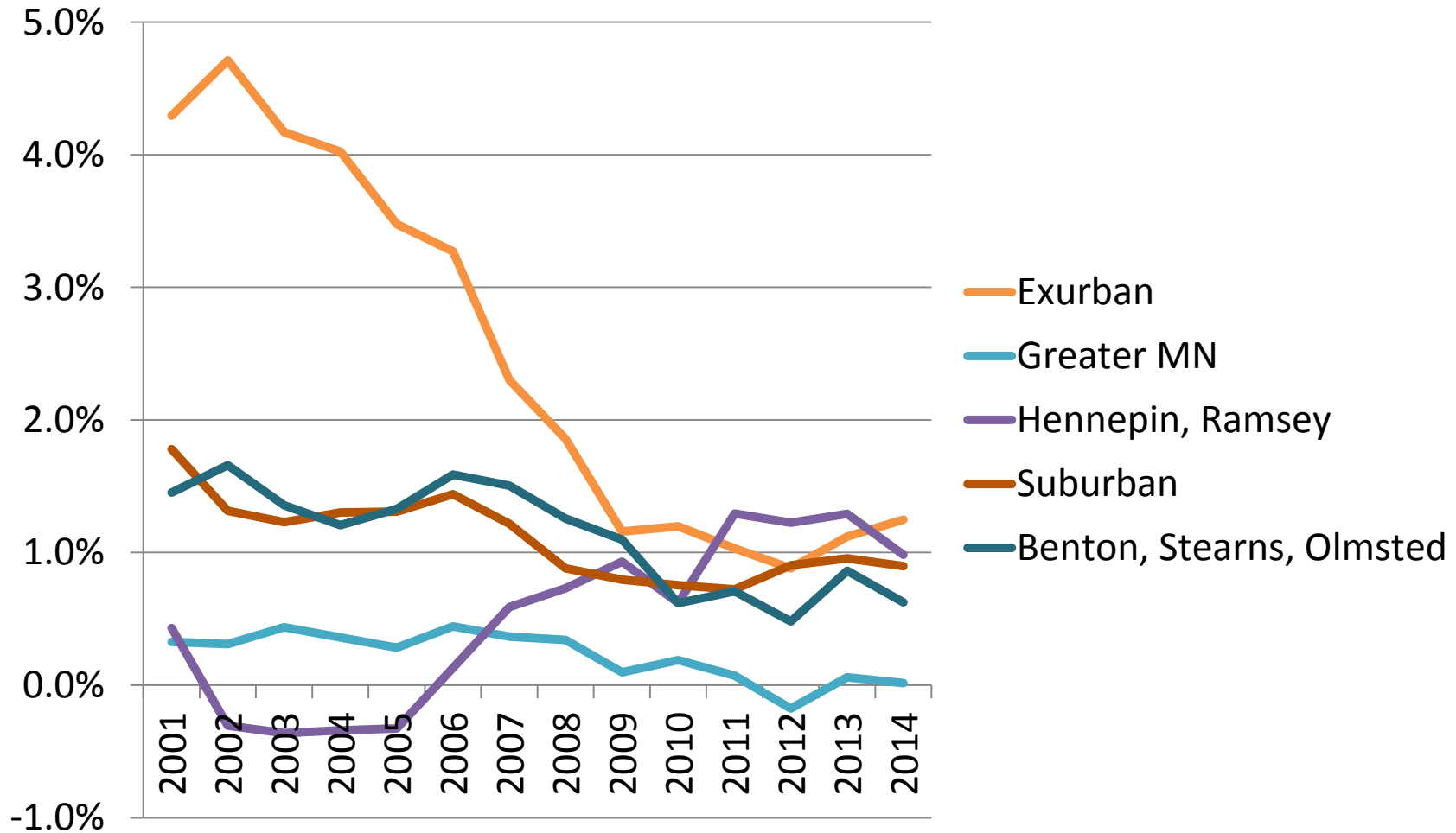
3. Dakota (412K, 8% of state)

4. Anoka (343K, 6% of state)

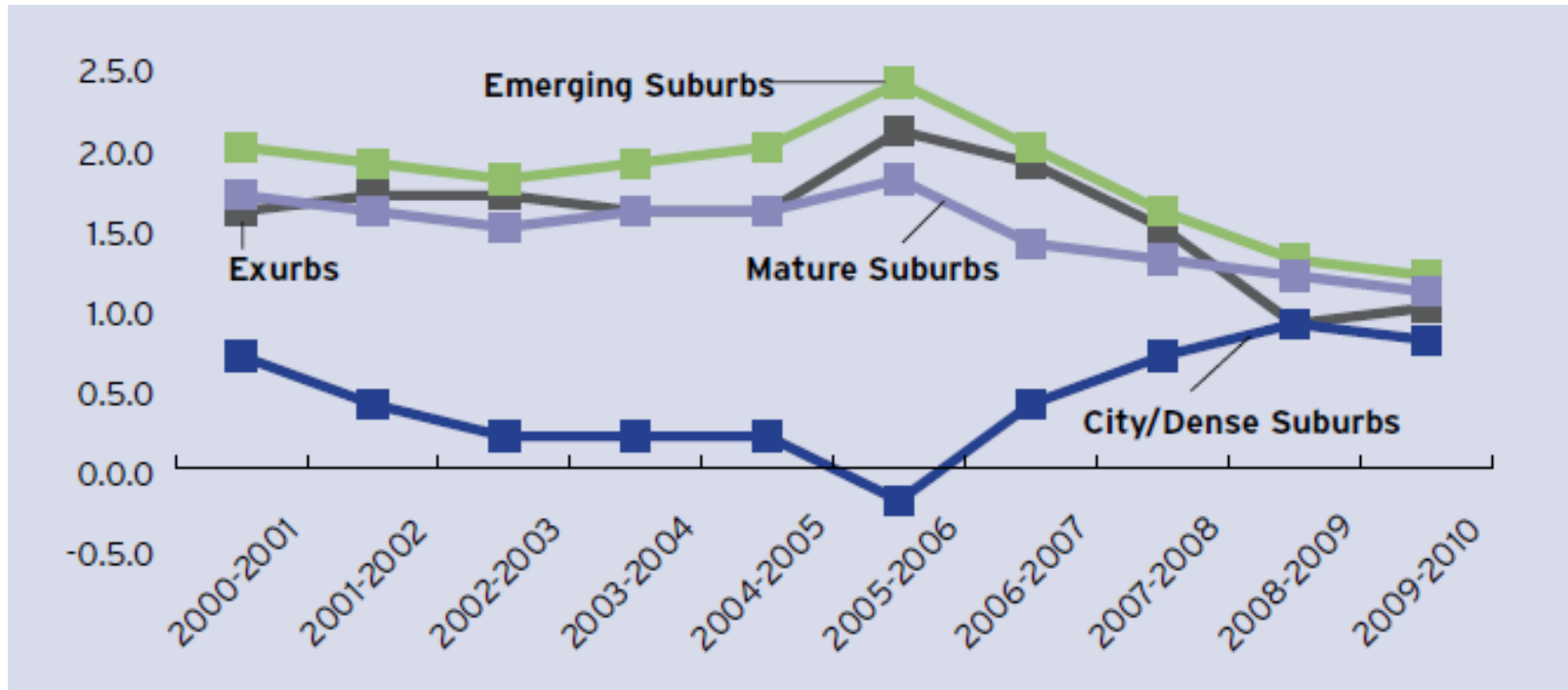
5. Washington (249K, 5% of state)

Everywhere else (2.7M, 50% of state)

Growth rates in Minnesota have converged

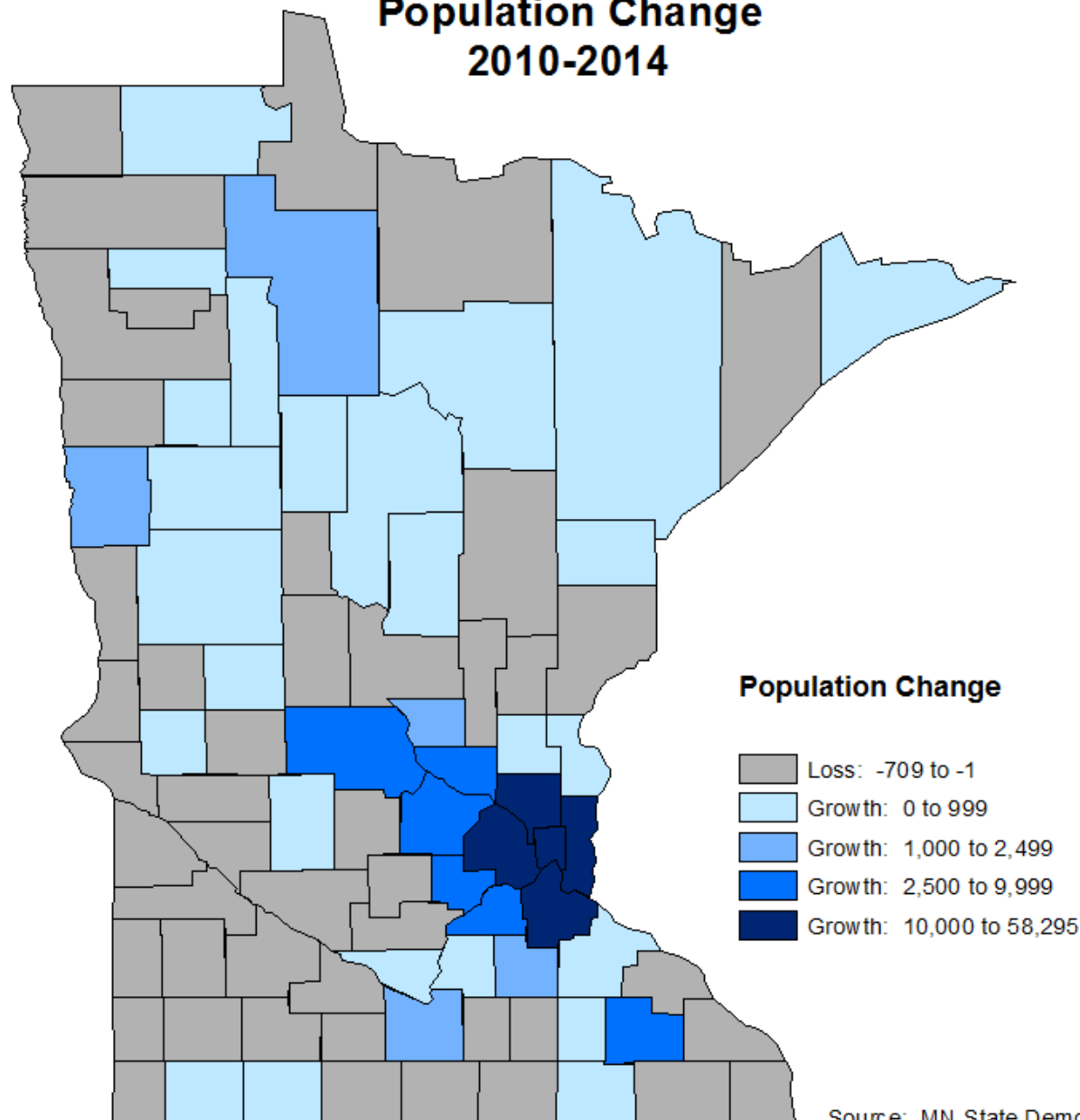


Growth rates are converging nationally too



Source: Brookings Institution

Population Change 2010-2014



Source: MN State Demographic Center
and the Metropolitan Council

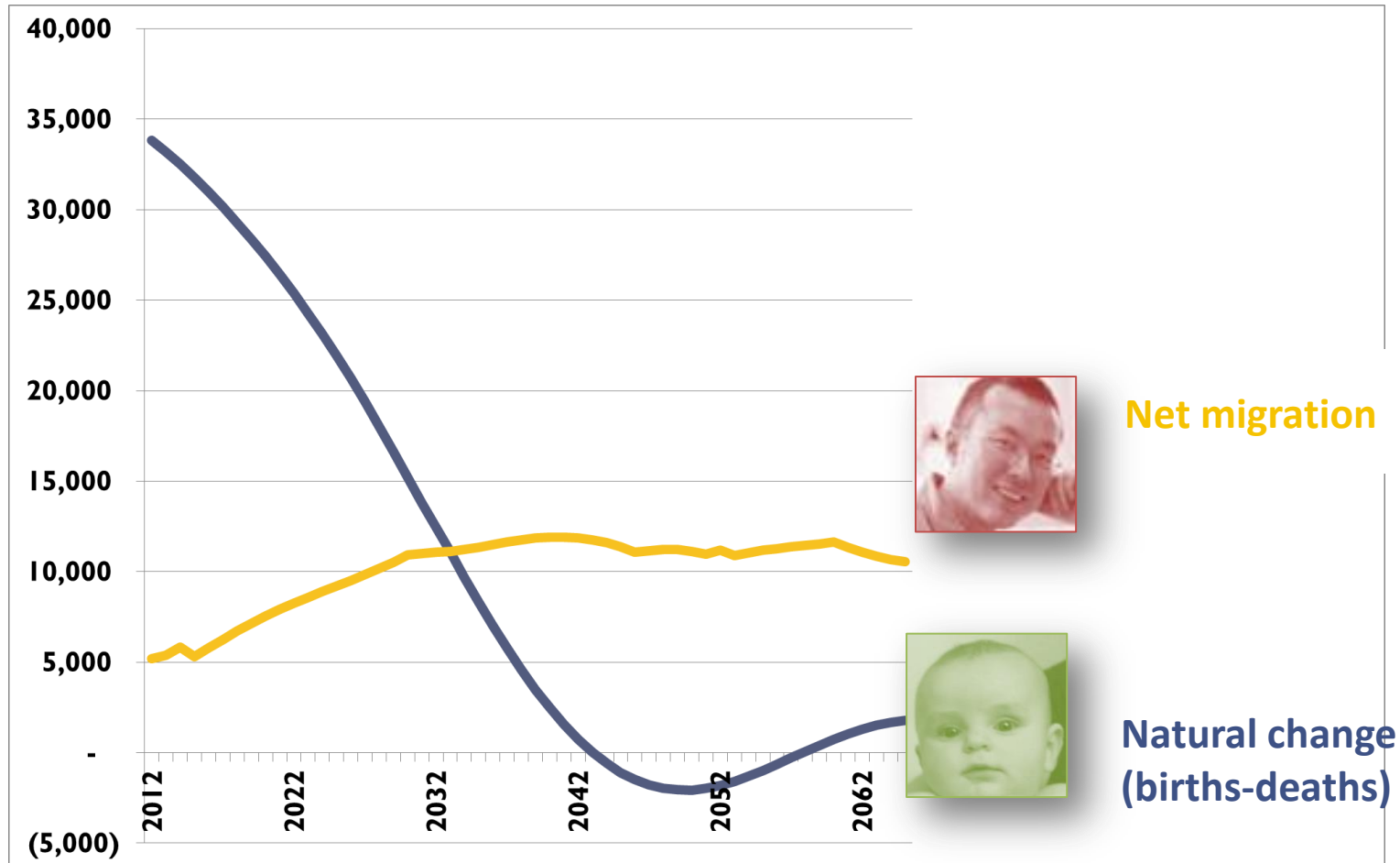
Top 10 fastest growing MN cities

		2014	2010	2010-2014
Rank	City	population	population	growth
1	Minneapolis city	411,273	382,578	28,695
2	St. Paul city	299,641	285,068	14,573
3	Blaine city	62,066	57,186	4,880
4	Rochester city	111,007	106,769	4,238
5	Woodbury city	66,119	61,961	4,158
6	Bloomington city	86,652	82,893	3,759
7	Rogers city	12,230	8,597	3,633
8	Lakeville city	59,361	55,954	3,407
9	Moorhead city*	41,181	38,065	3,116
10	Plymouth city	73,633	70,576	3,057

** Included anticipated growth from annexation of Oakport Township so as to be considered for future state aid considerations.*

Sources: Minnesota State Demographic Center and Metropolitan Council, 2014 Population Estimates, and U.S. Census Bureau 2010 Census

Net migration will become the major driver of our state's growth



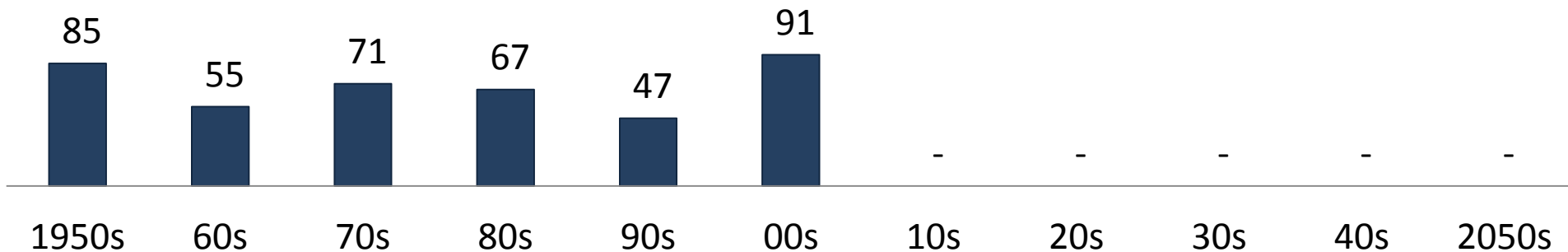
Source: MN State Demographic Center projections, October 2013.

Aging trends



How many additional “older adults” will Minnesota gain during this decade?

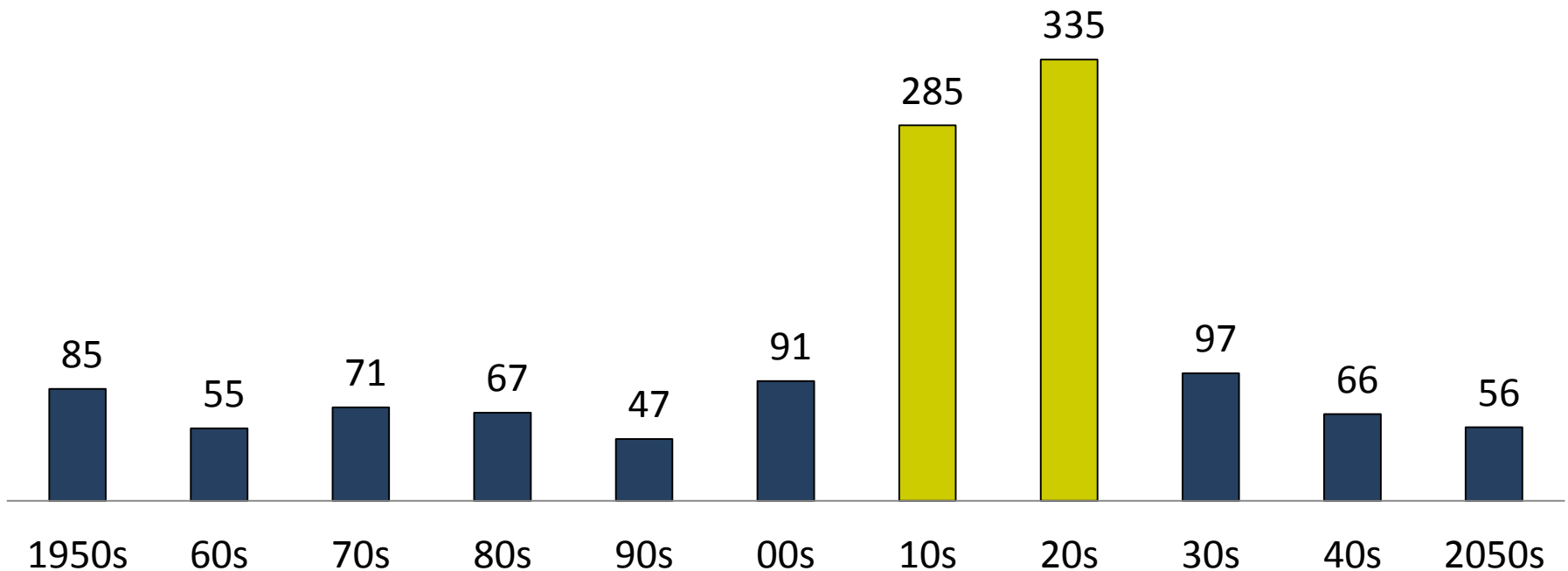
Change in older adults, age 65+ (in thousands)



Source: U.S. Census Bureau

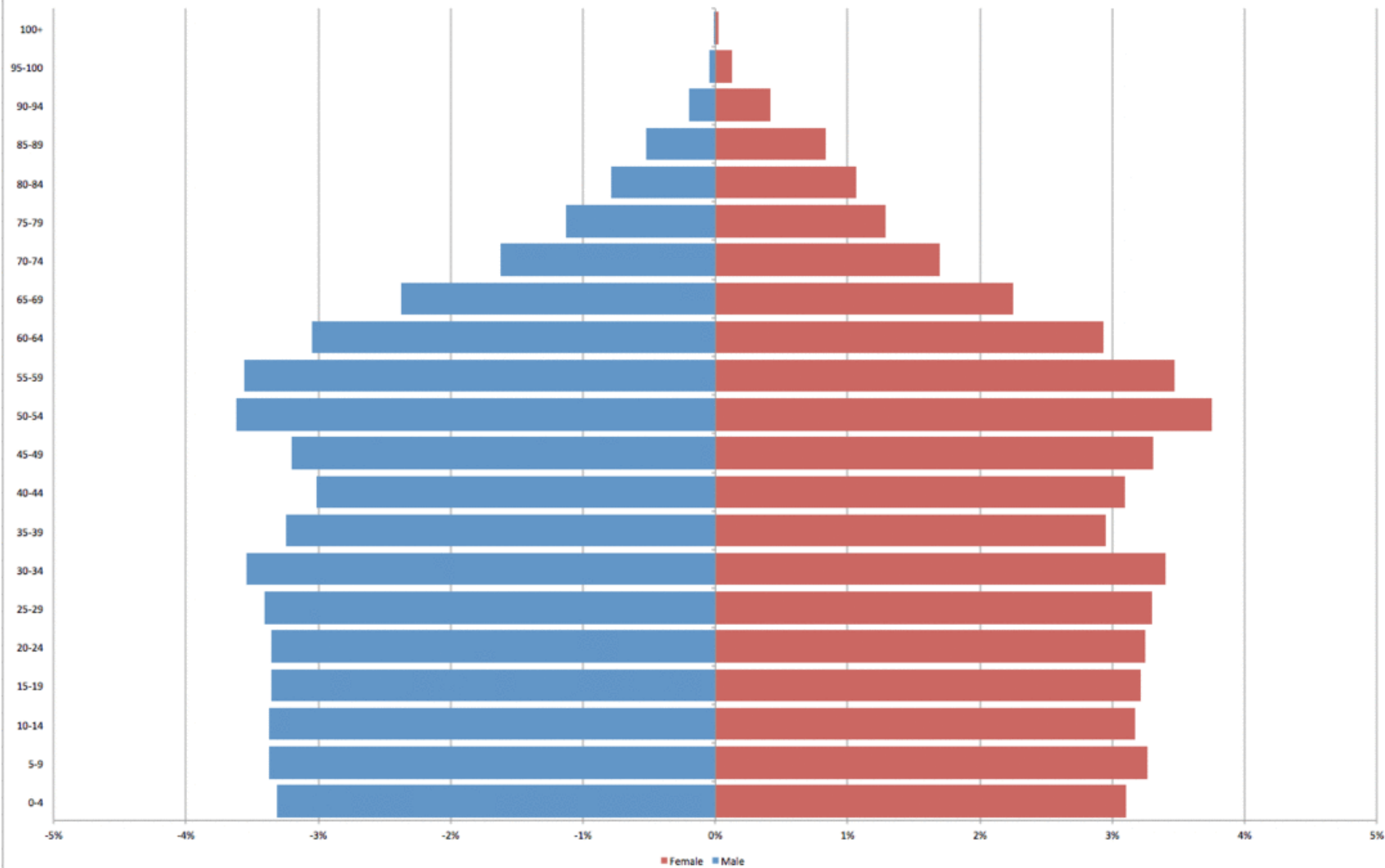
Unprecedented increases in MN's “older adult” population

Change in older adults, age 65+ (in thousands)

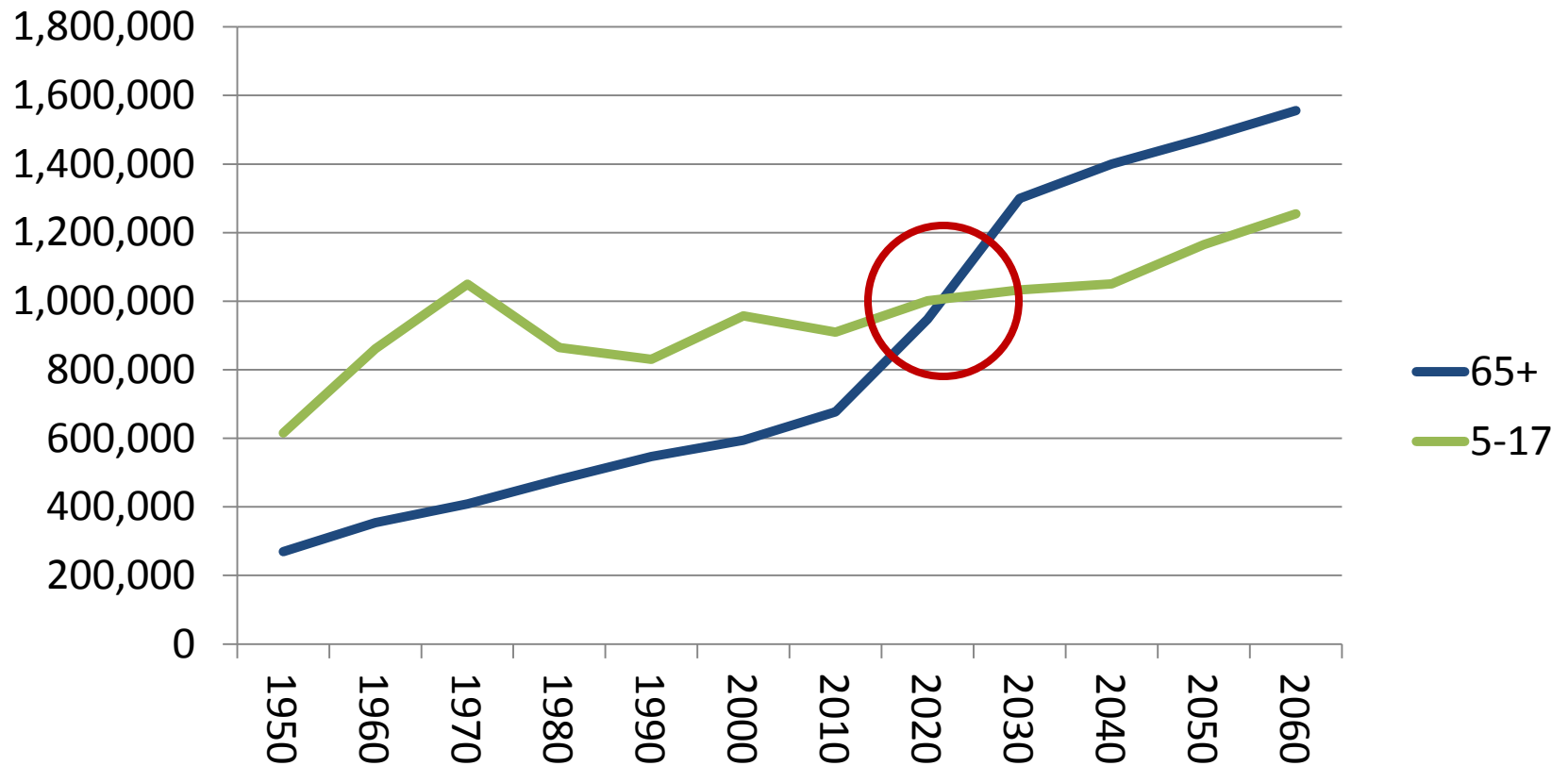


Sources: U.S. Census Bureau, MN State Demographic Center

Population by age and sex
Minnesota, 2015



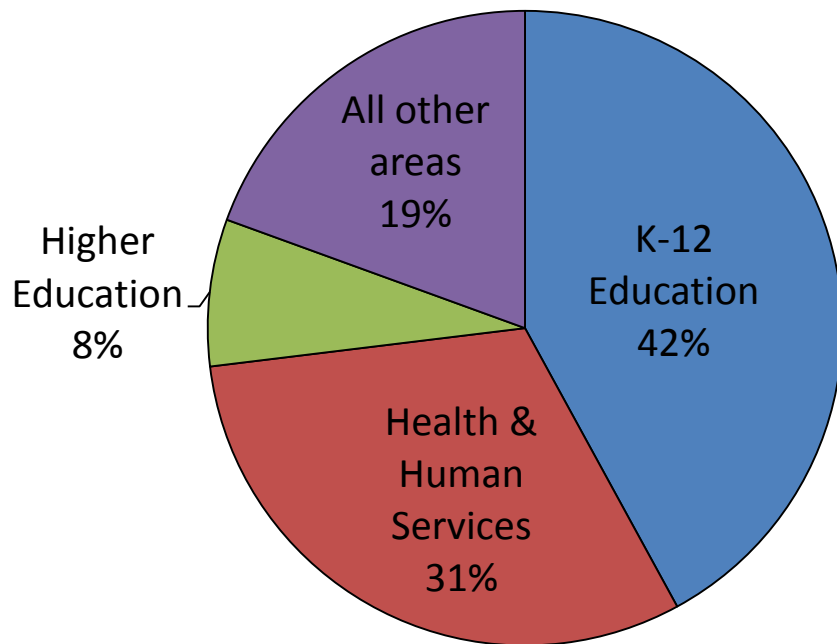
For the first time in MN history: More 65+ than school-age by 2020



Sources: U.S. Census Bureau, decennial census, and Minnesota State Demographic Center projections

Changing demand for public services

General Fund Expenditures



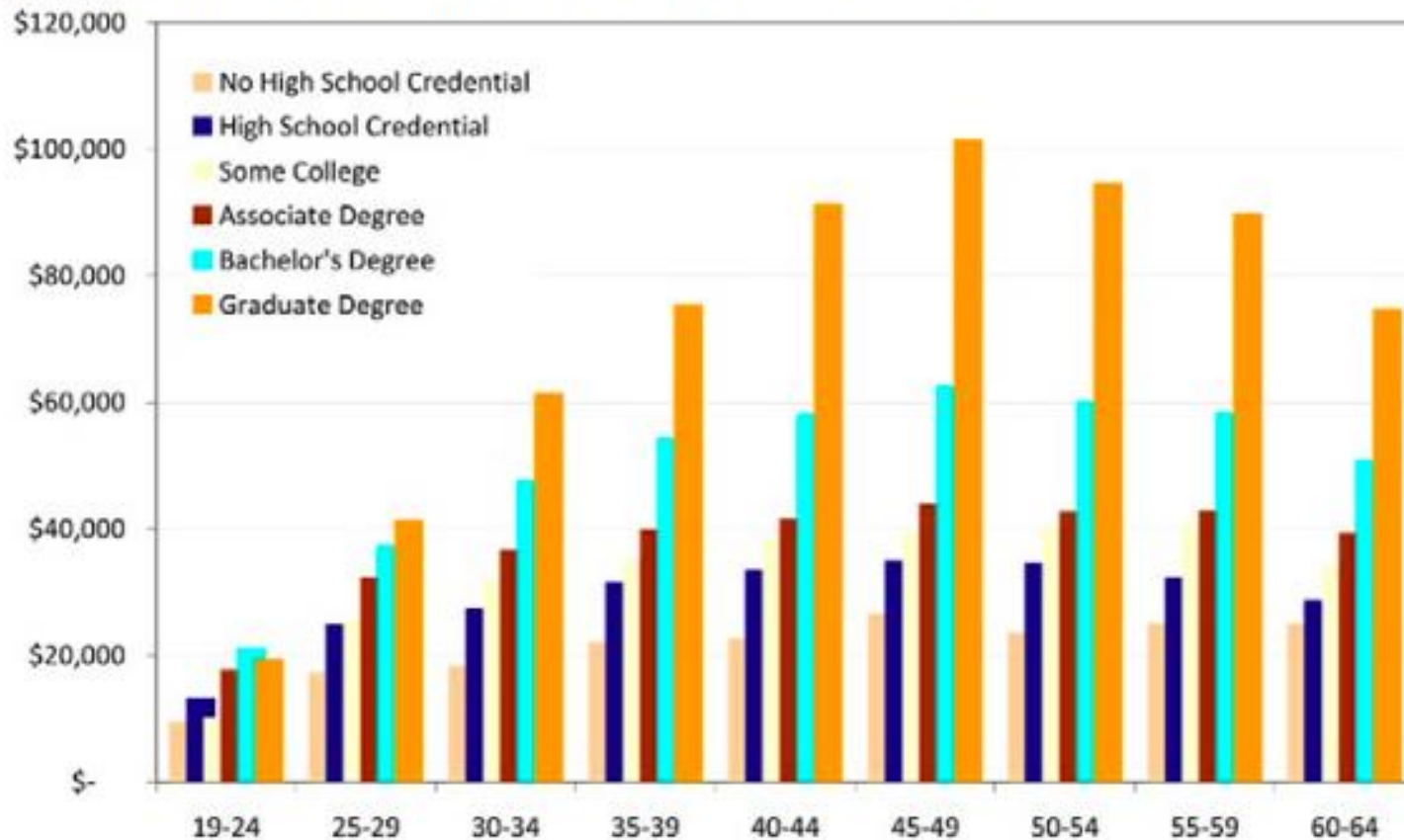
Within Health & Human Services

- Medical Assistance Expenditures: 25% of GF spending (8.5 billion)
- Medical Assistance Expenditures for the Elderly and Disabled: 16% of GF spending (5.5 billion)
- MA expenditures include basic care, long-term care waivers and long-term institutional care

Sources: Minnesota Management and Budget, February 2013. House Research, Long-Term Care Services for the Elderly, November 2012

Average income tapers after the late 40s

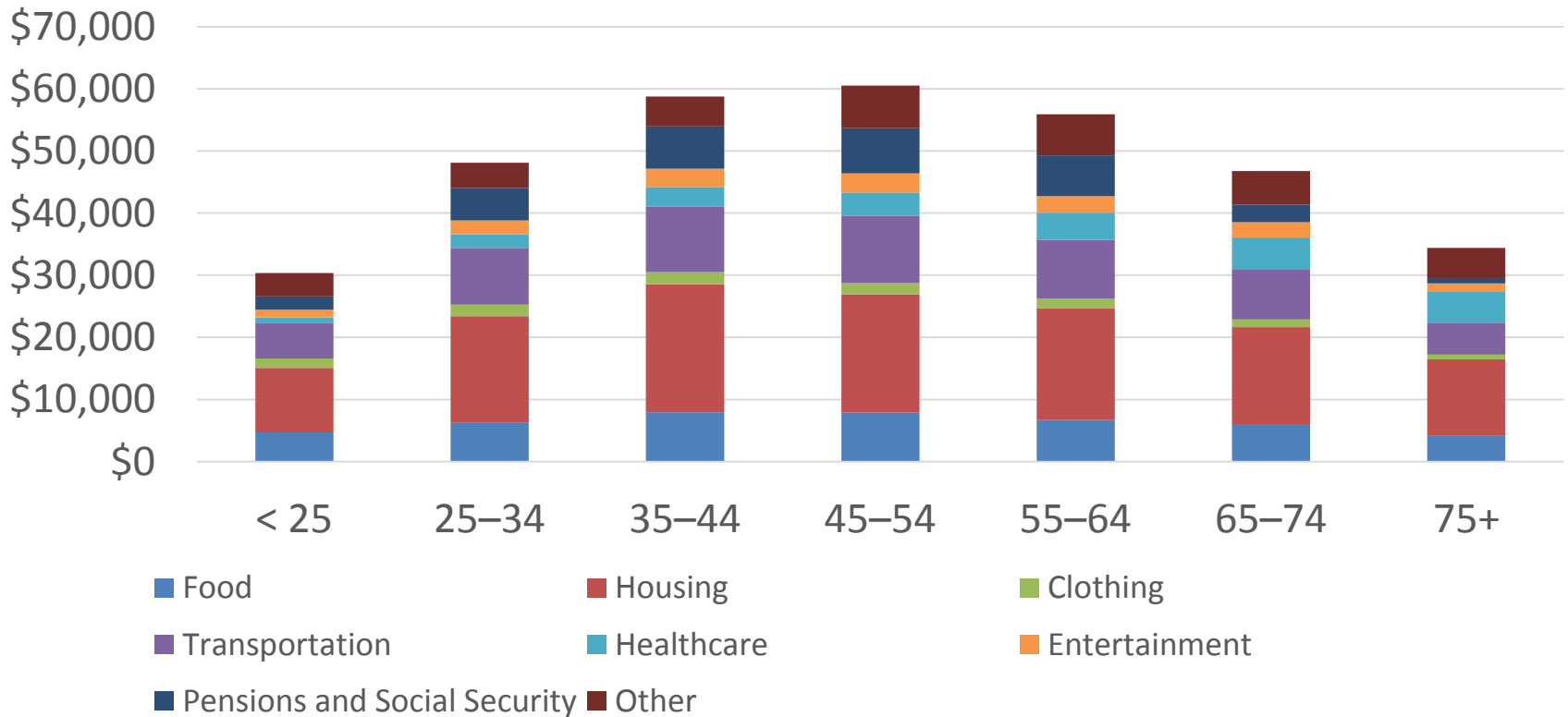
Figure 4: Average Annual Income by Age Group and Level of Education



Note: Minnesota population age 19-64.

Spending tapers with age as well

U.S. Consumer Expenditures, 2013

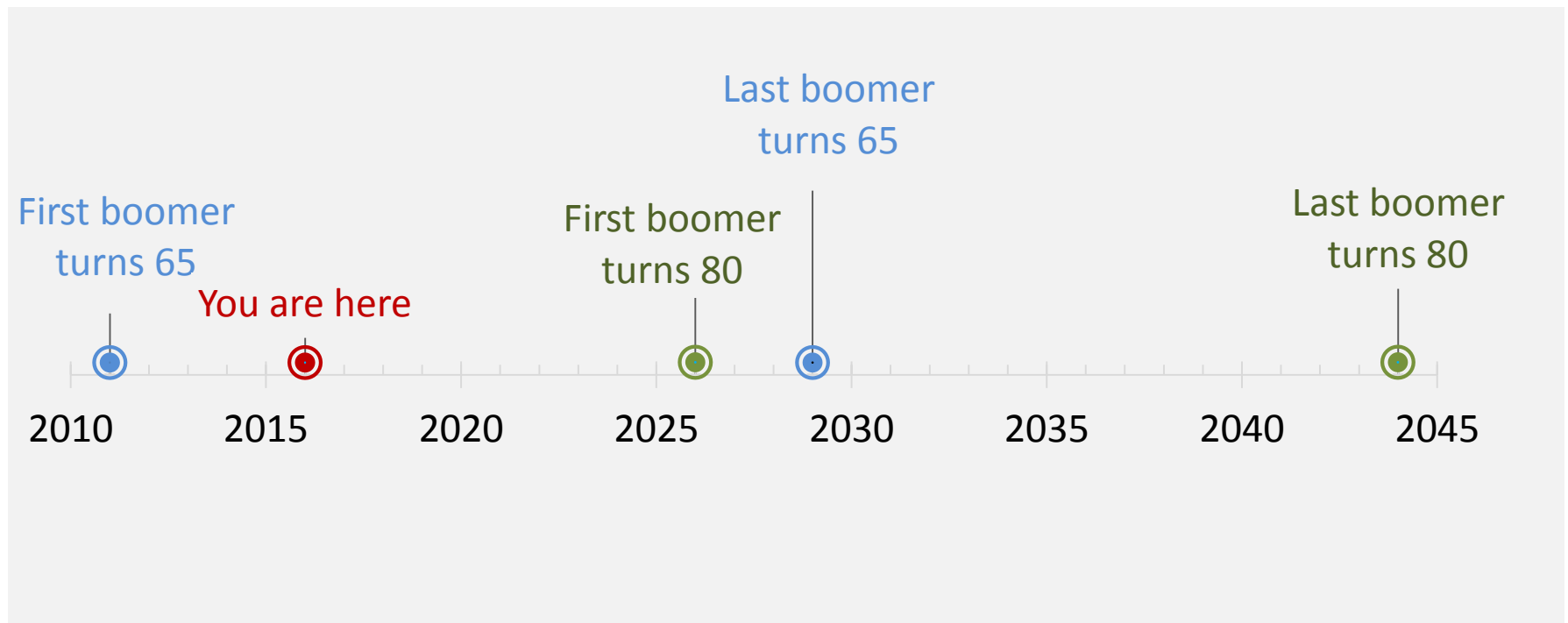


Source: BLS Consumer Expenditure Survey

Challenges related to our aging population

- Will we have or create sufficient **infrastructure** for more transportation, caregiving, health care, and social support needs, as **health challenges and disabilities increase**, especially when children live far away?
- Will we be able to **finance needed services**, especially long-term care? Private and public medical expenses will increase considerably.
- Will we have the workers to form a strong, skilled, highly **productive labor force** as the Boomers retire — for economic growth, tax revenues for needed services, and maintaining a high quality of life in MN?

The transition to an older Minnesota has already begun

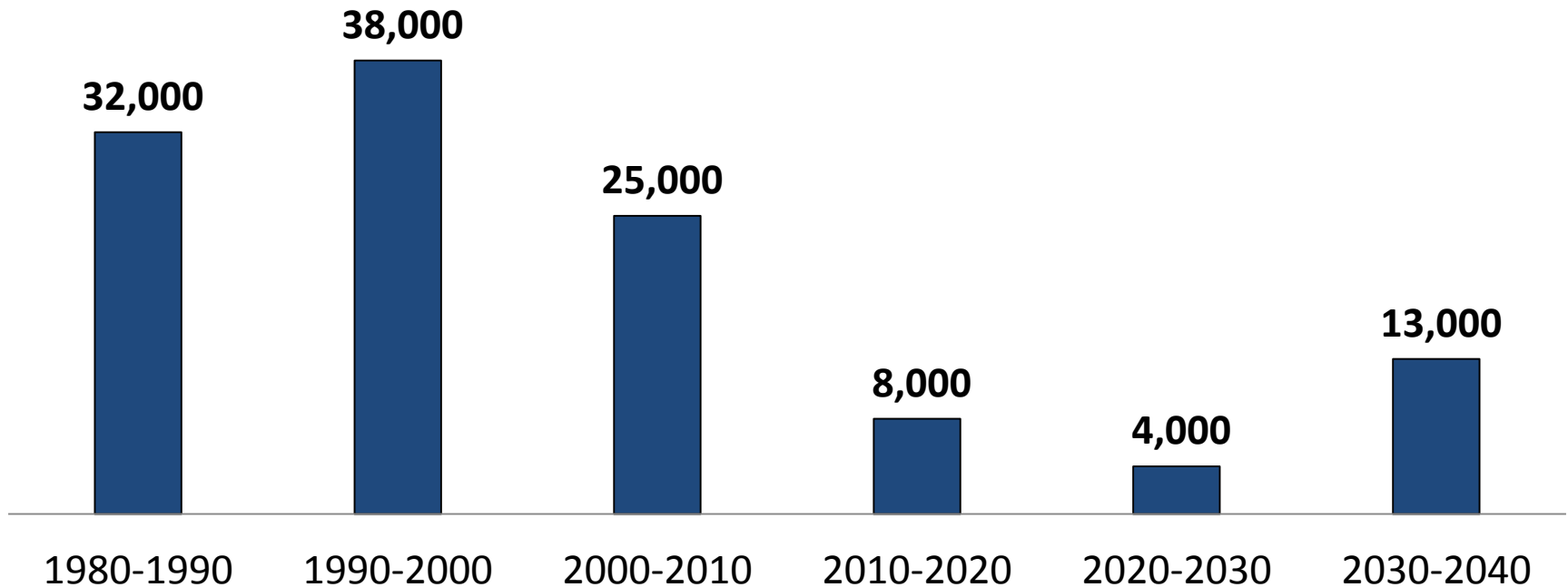


A photograph of two construction workers in a large industrial or construction site. They are both wearing white hard hats and safety glasses. The worker on the right is a Black man wearing a green and black plaid shirt, and the worker on the left is a white man wearing a dark jacket over a maroon shirt. They are both looking down at a large set of white blueprints that are spread out in front of them. The background is filled with complex scaffolding and structural elements of a building under construction, with concrete pillars and various pipes visible. The lighting is somewhat dim, typical of an indoor construction site.

Workforce Considerations

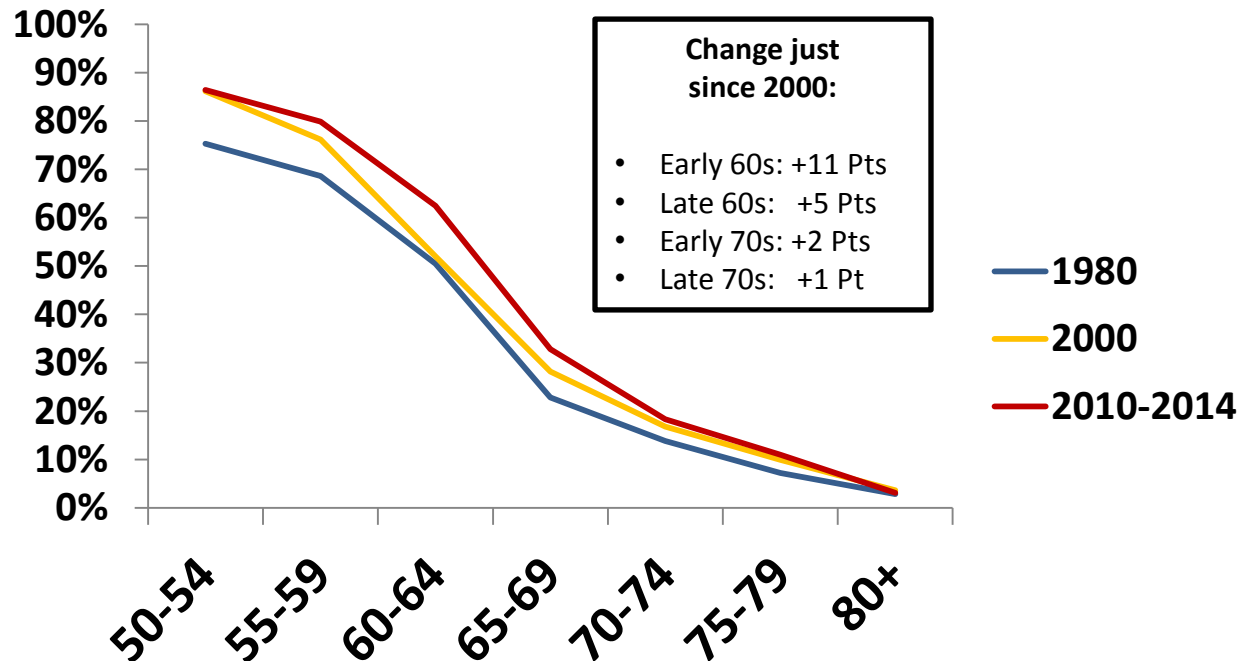
Projected Growth in Labor Force, MN

Annual Average, Ages 16+



Source: U.S. Census Bureau, Minnesota State Demographic Center
Projections

Minnesota's older adults remain in the labor force longer than before



Sources: IPUMS version of U.S. Census Bureau, decennial census, and American Community Survey. Minnesota State Demographic Center tabulations.

MN, U.S., not alone in slower growth of labor force

TABLE 1: AVERAGE ANNUAL GROWTH RATES OF WORKING AGE POPULATION (15-64) WORLD, DEVELOPED AND DEVELOPING REGIONS, AND SELECTED COUNTRIES - 1950-80, 1980-2010, 2010-2030, 2030-50

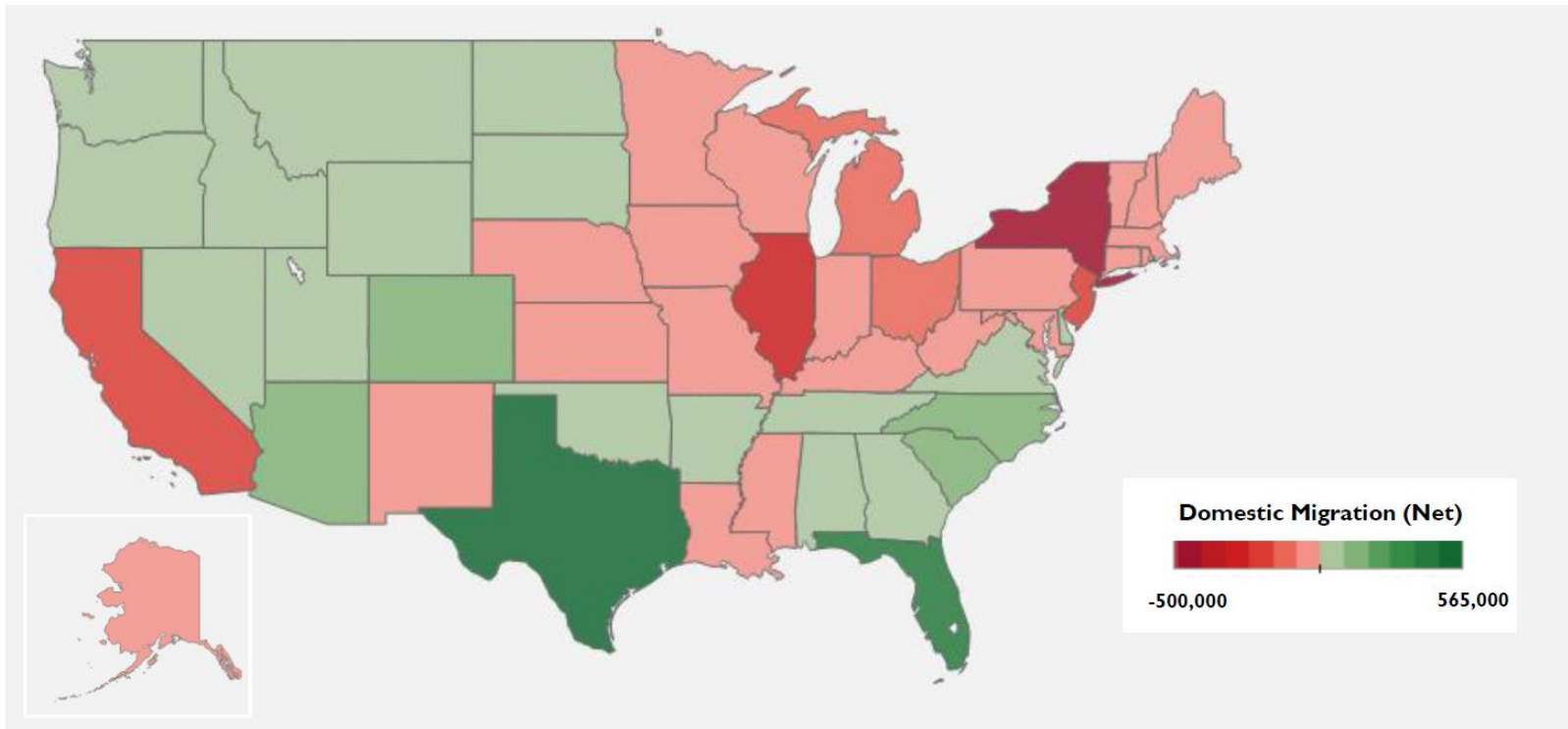
Regions and Countries	1950-1980	1980-2010	2010-2030	2030-2050	2040-2050
World	1.81	1.86	0.93	0.49	0.41
More Developed Regions	1.17	0.38	- 0.26	- 0.24	- 0.25
Less Developed Regions	2.16	2.25	1.17	0.60	0.50
U.S.	1.34	1.07	0.27	0.45	0.45
Japan	1.56	0.13	- 0.82	- 1.11	- 1.01
U.K	0.22	0.42	0.13	0.11	0.16
Germany	0.35	0.15	- 0.78	- 0.82	- 0.70
Russia	1.14	0.30	- 0.82	- 0.75	- 1.01
China	1.90	1.80	- 0.06	- 0.75	- 0.70
India	1.95	2.26	1.27	0.44	0.24
Brazil	2.89	2.12	0.68	- 0.24	- 0.48

Source: Own Calculations with data drawn from United Nations Department of Economic and Social Affairs/Population Division, World Population Prospects: The 2012 Revision, Volume I: Comprehensive Tables, New York, 2013.

Source: Frischtak, Brookings Institution

Domestic net migration, by state, since 2010 census

Figure 6: Domestic Net Migration, By State, April 1, 2010 – July 1, 2014

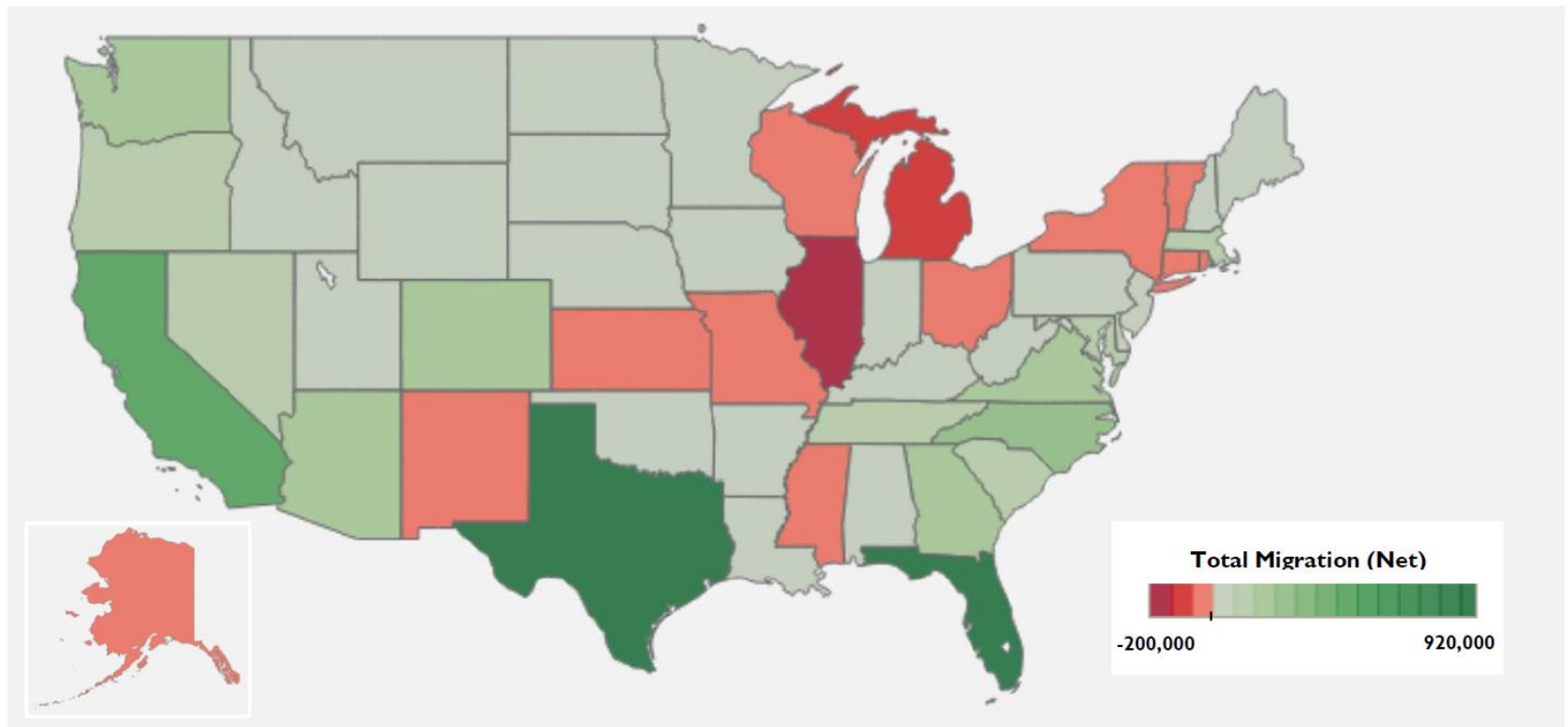


Source: U.S. Census Bureau, 2014 Population Estimates. Note: Domestic plus international figures may not equal totals due to rounding and a "residual," the result of controlling county populations to the national population for the entire set of estimates.

For interactive map online, see: https://public.tableausoftware.com/views/MigrationReportMapping/DomesticMigrationNet?:embed=y&:display_count=no

Total net migration, by state, since 2010 census

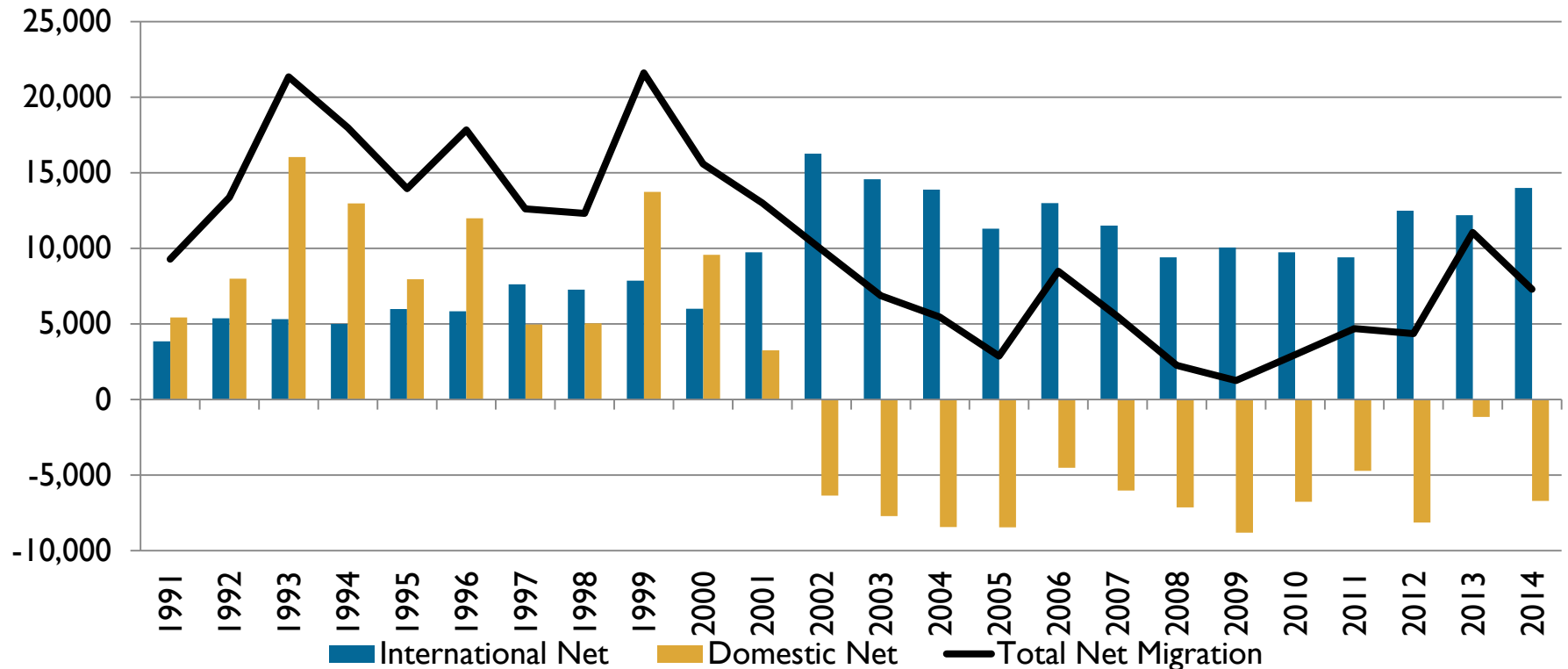
Figure 5: Total Net Migration, By State, April 1, 2010 – July 1, 2014



Source: U.S. Census Bureau, 2014 Population Estimates. Note: Domestic plus international figures may not equal totals due to rounding and a "residual," the result of controlling county populations to the national population for the entire set of estimates.

For interactive map online, see: https://public.tableausoftware.com/views/MigrationReportMapping/TotalMigrationNet?:embed=y&:display_count=no

Minnesota's net migration, by international and domestic components

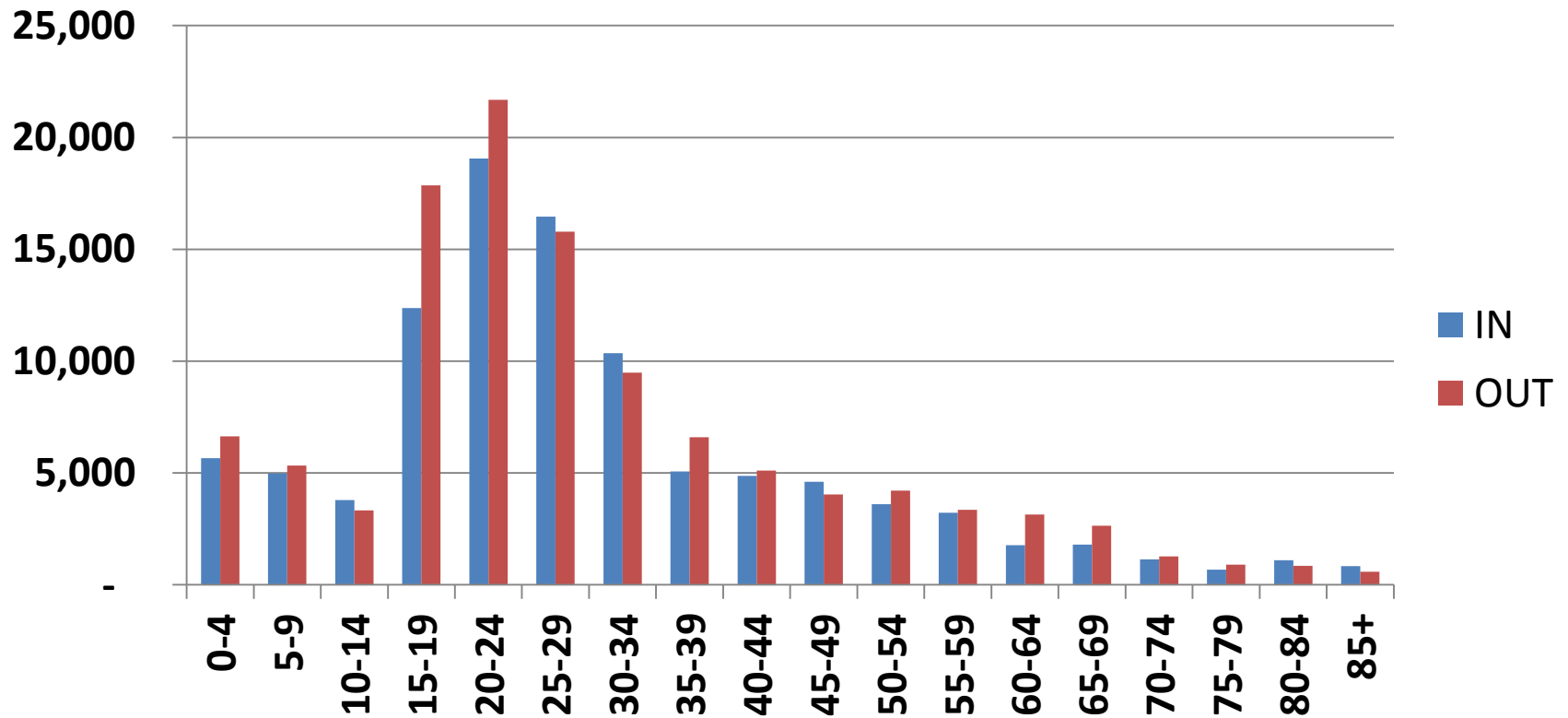


Source: U.S. Census Bureau, Population Estimates Program. Note: Data for 2009-2010 was unavailable and so interpolated.



Largest net losses occurring at ages 18 to 20

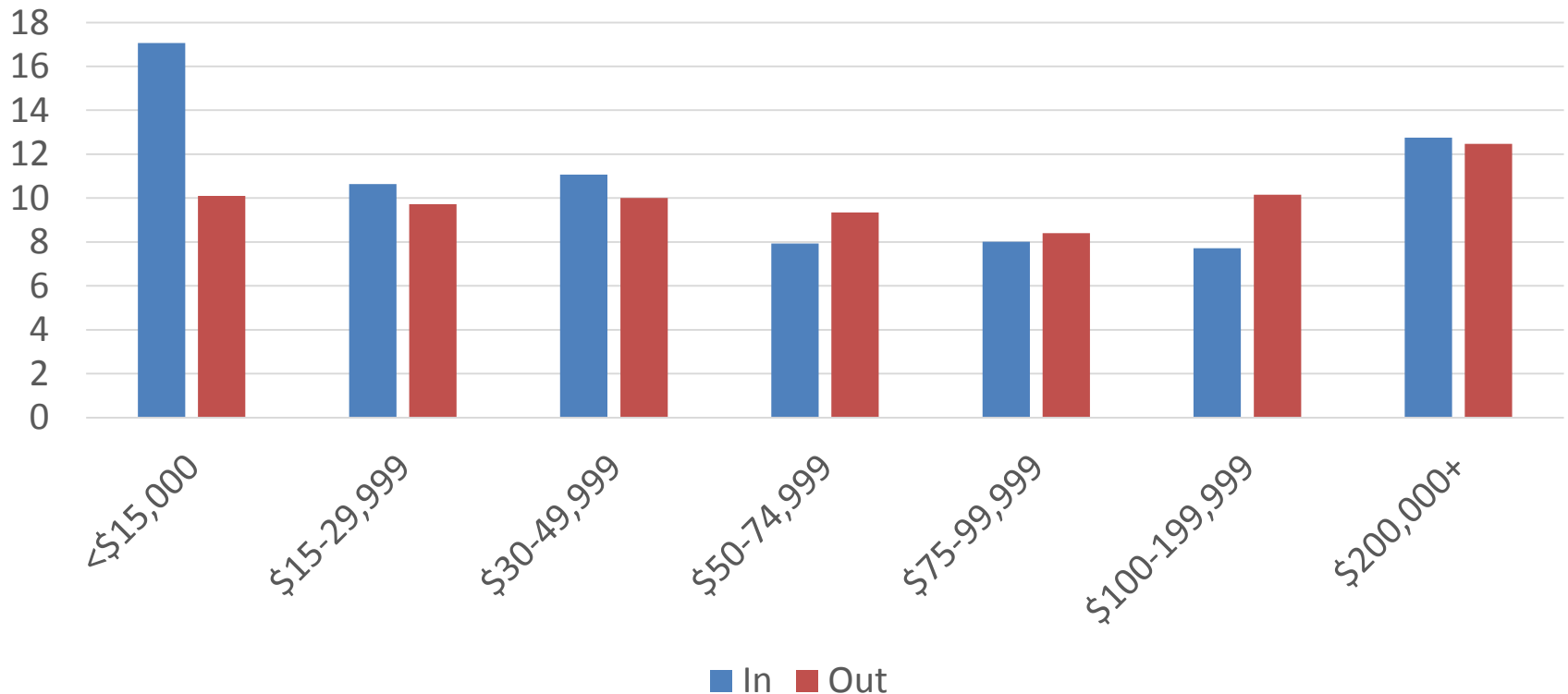
State-to-state migration by age
Minnesota, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey.
Tabulations by MN State Demographic Center.

Migration greater at upper- and lower-end of income spectrum

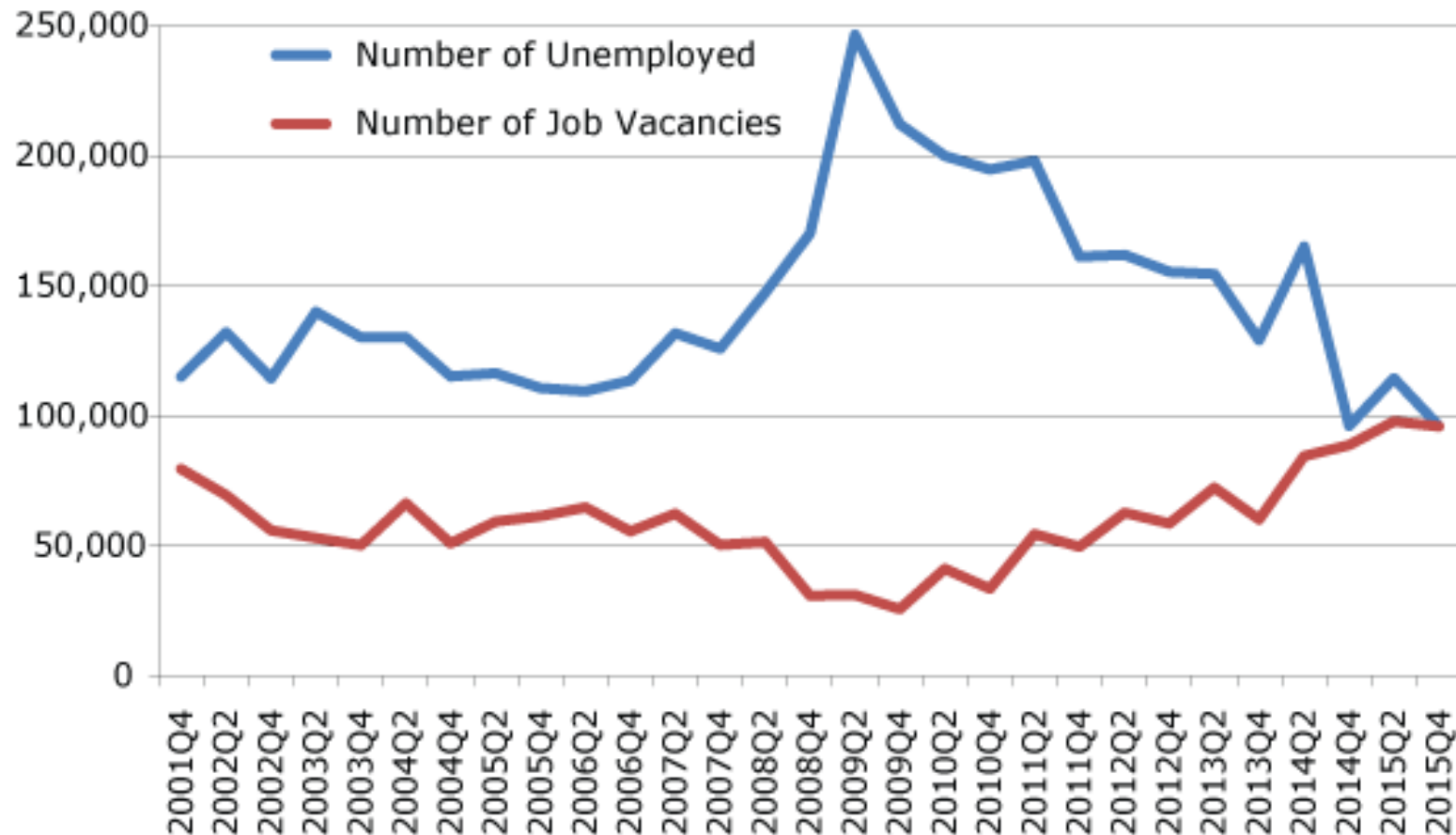
Rate of migration per 1,000 Minnesotans, age 50+
2008-2012



Source: Tabulated from the Integrated Public Use Microdata Series, ACS 2008-2012. Rates are per 1,000 Minnesota residents age 50+.

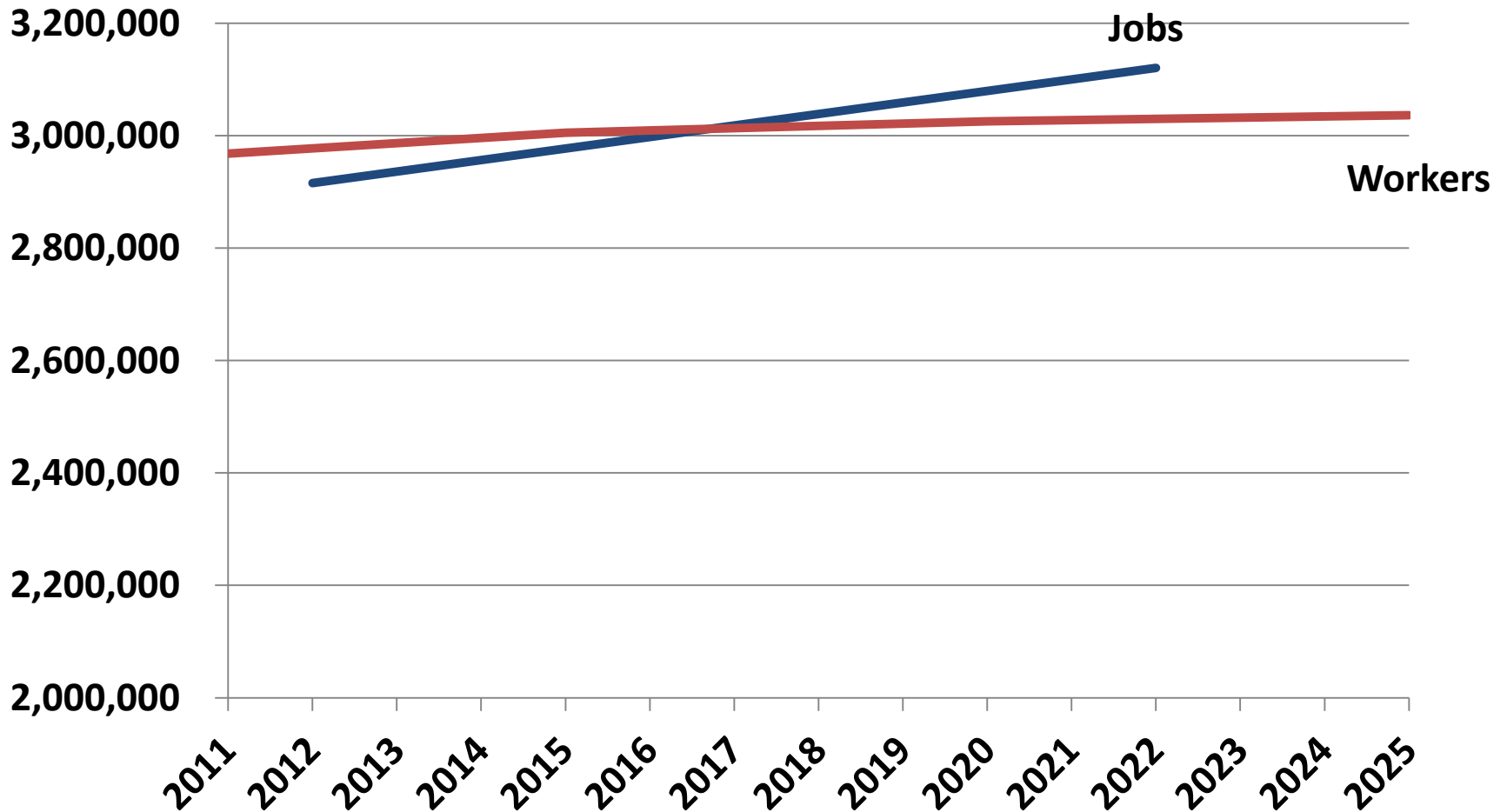
Ratio of jobs to job seekers is now 1:1

Minnesota Job Vacancies and Unemployed Workers by Quarter



Source: Job Vacancy Survey, MN Department of Employment and Economic Development

Projected job growth and projected labor force growth

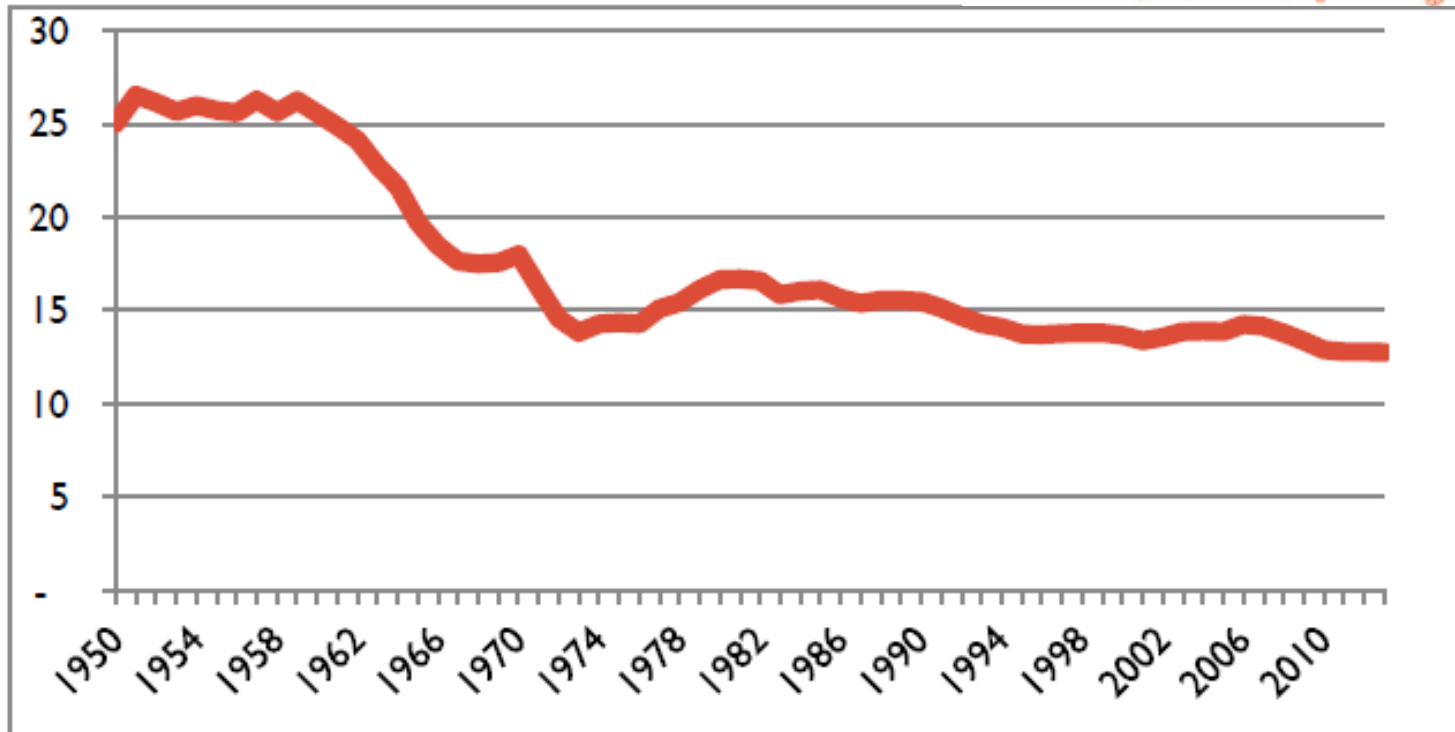


Opportunities to impact labor force's quality and size

- Grow your own (train, retrain, and retain your own)
- Better alignment of preparation (& retooling)
- Pull (or keep) additional folks in the labor force:
 - Older workers
 - People with disabilities
 - Parents, especially mothers
 - Discouraged workers
 - People with less education/skills that align poorly with available jobs
- Attract new workers (domestic, int'l migration)

Minnesotans not as fond of making babies as they were in the past

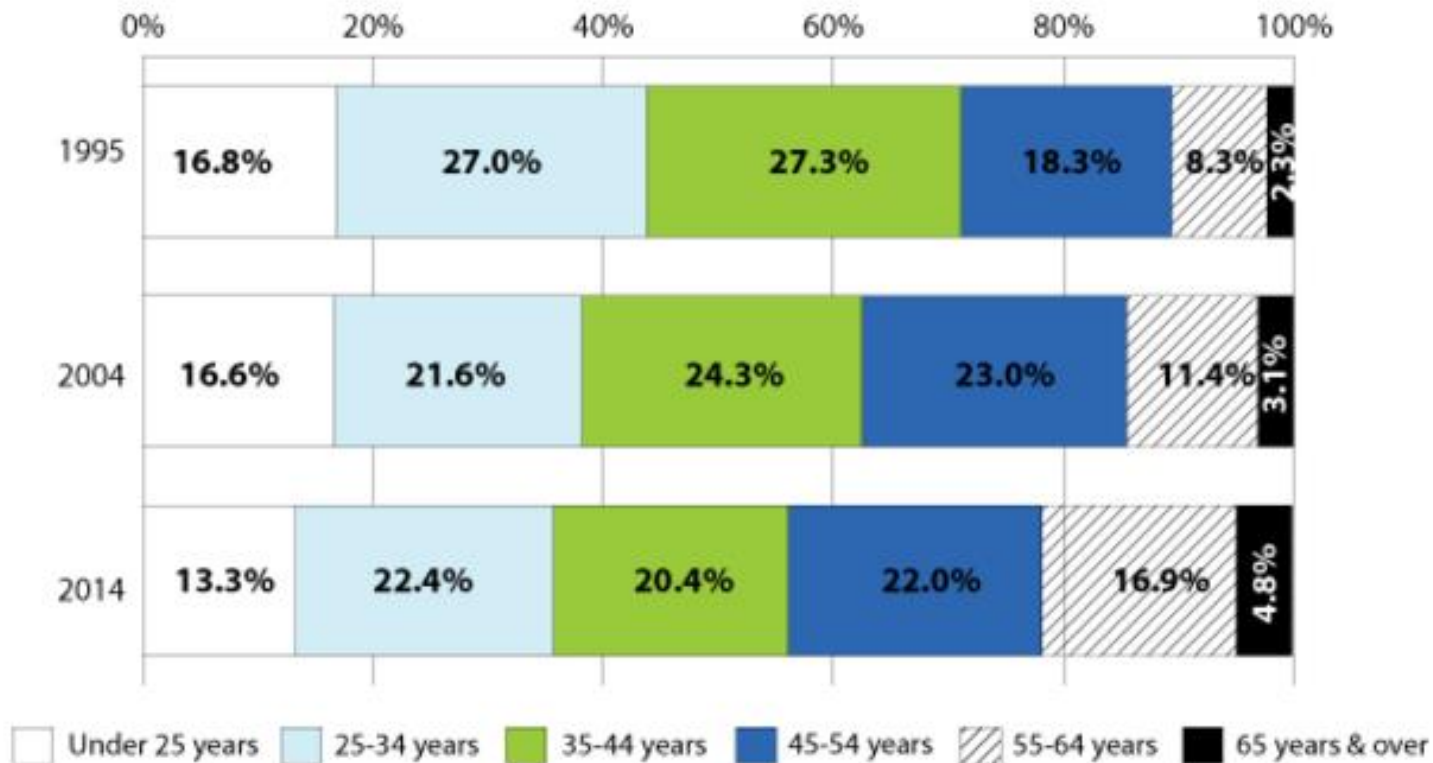
Figure 3: Births Per 1,000 Minnesotans, 1950-2013



Source: Minnesota Department of Health, Vital Statistics; U.S. Census Bureau, Population Estimates.

Minnesota has shifted to an older workforce: 22% were 55+ in 2014

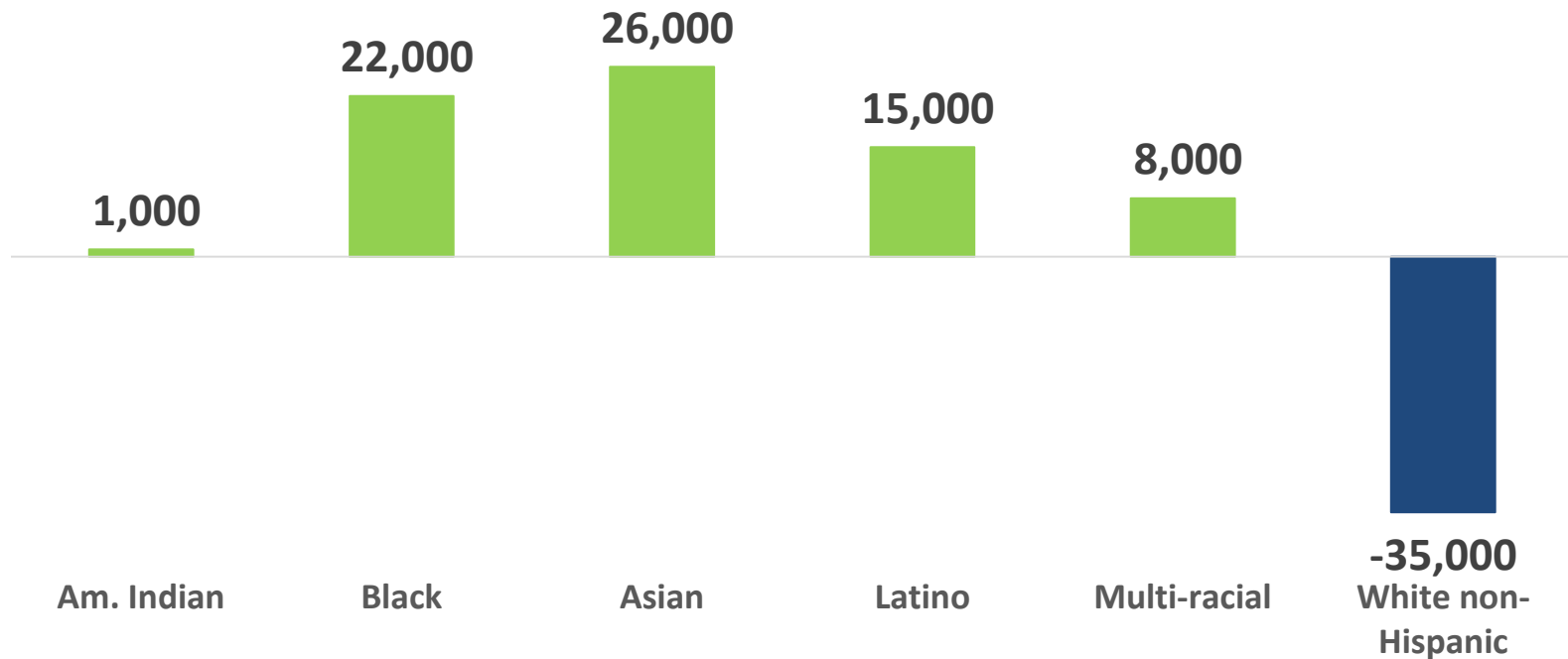
Figure 2: Percent of Minnesota Jobholders by Age Group, 1995-2014



Source: DEED Quarterly Workforce Indicators (QWI)

White “working-age” losses, but growth in all other groups since 2010

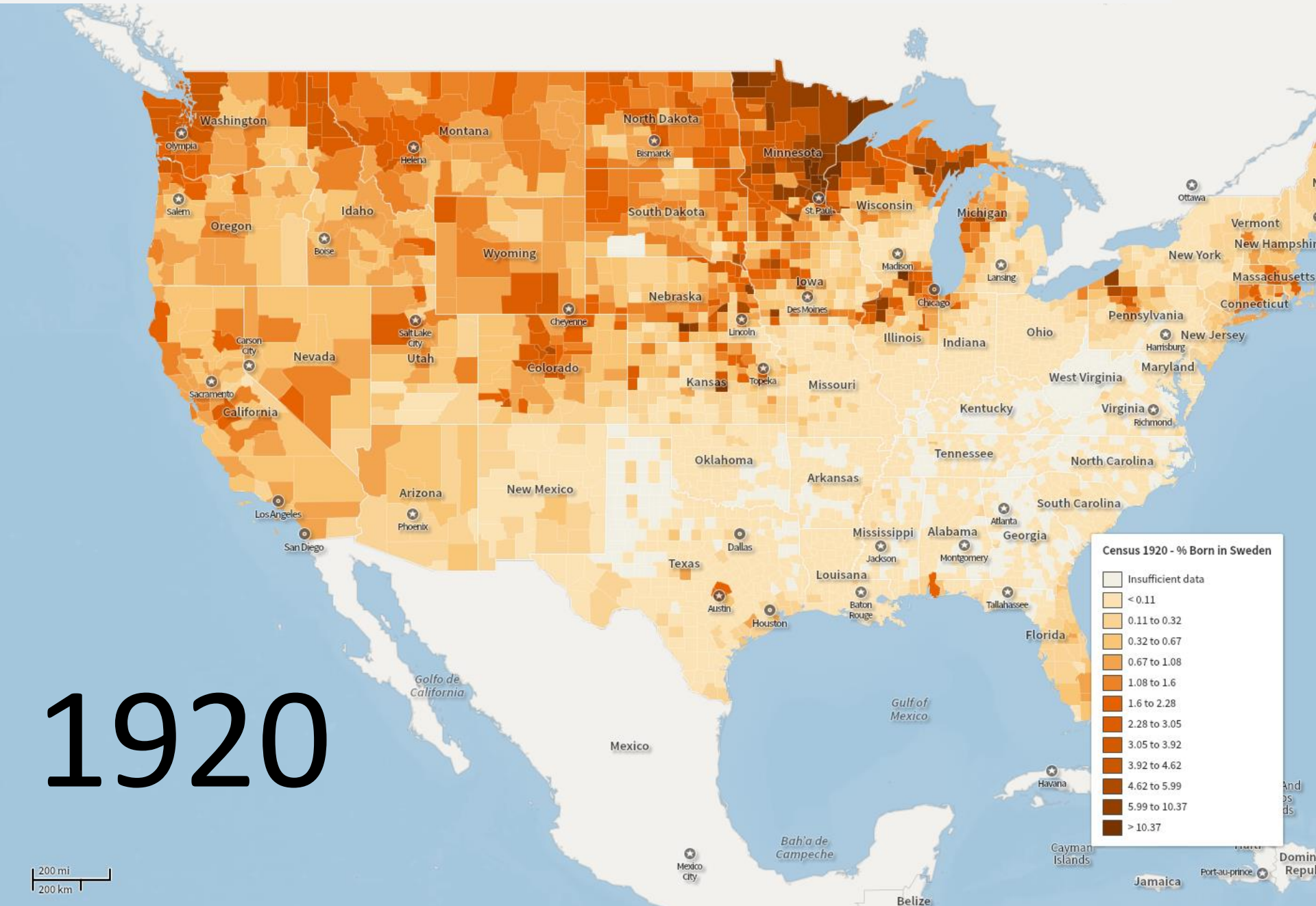
Change in MN ages 15-64, 2010-2014



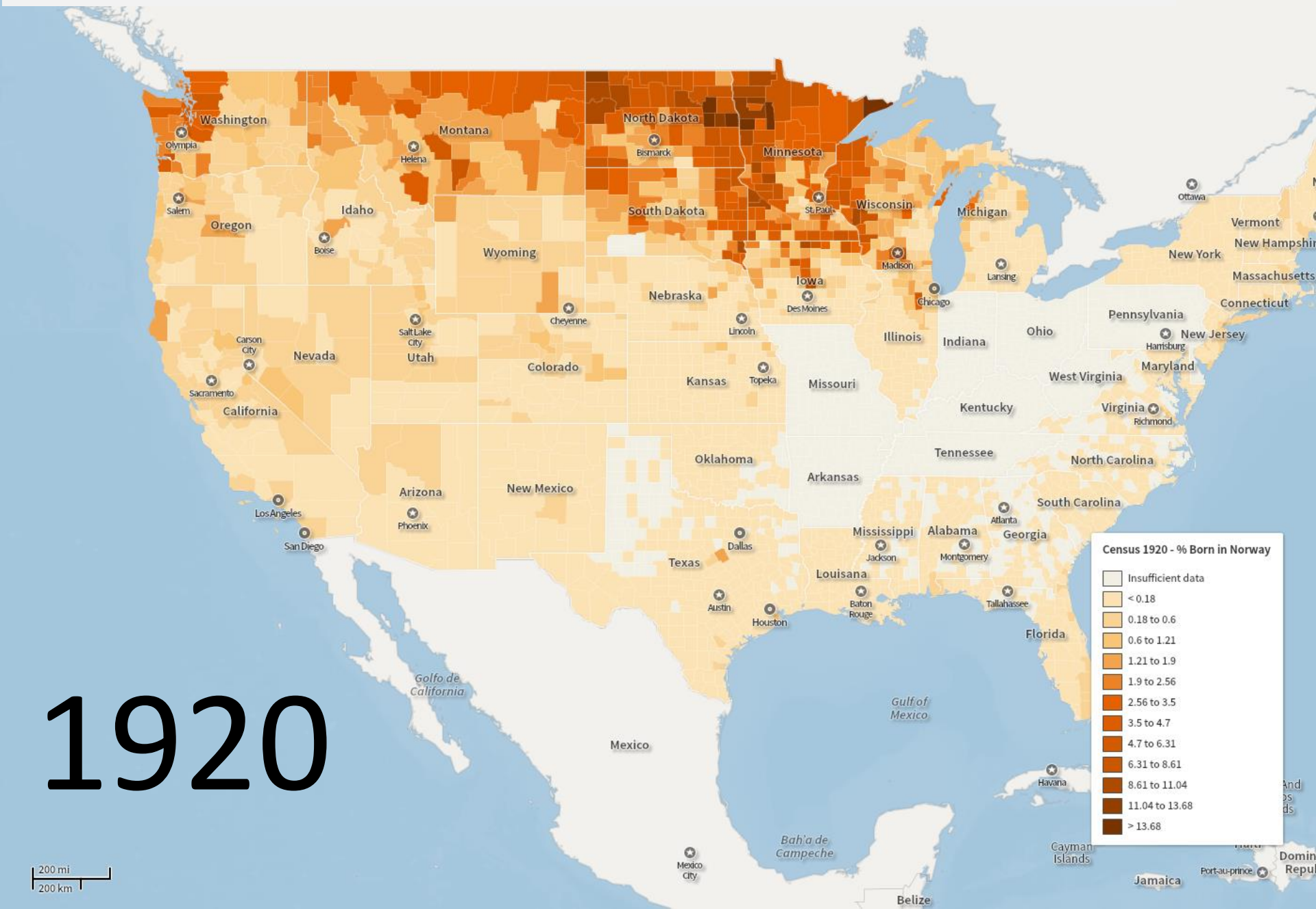


Diversity Trends

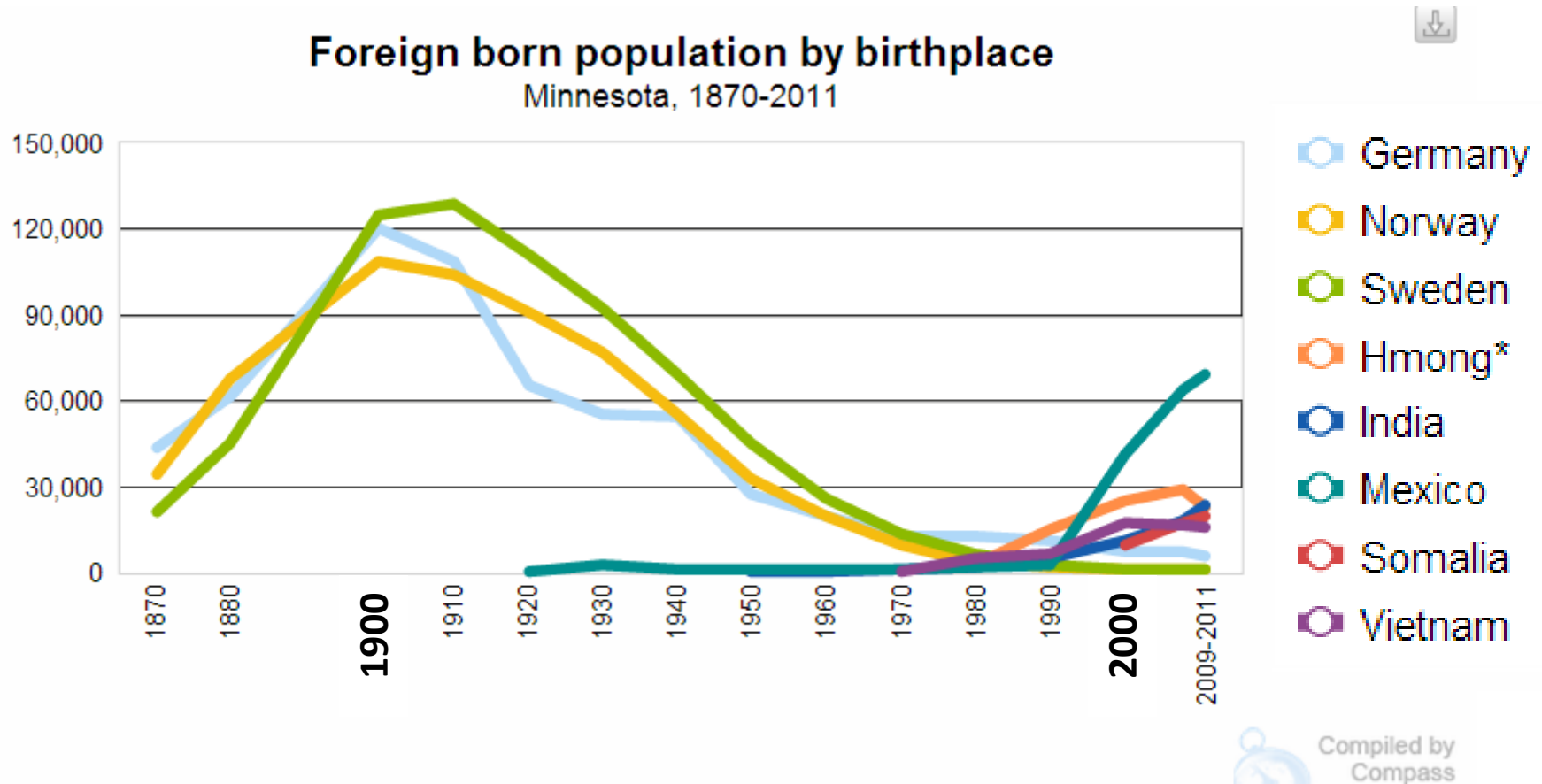
Percentage of the population that was ...



Percentage of the population that was ...

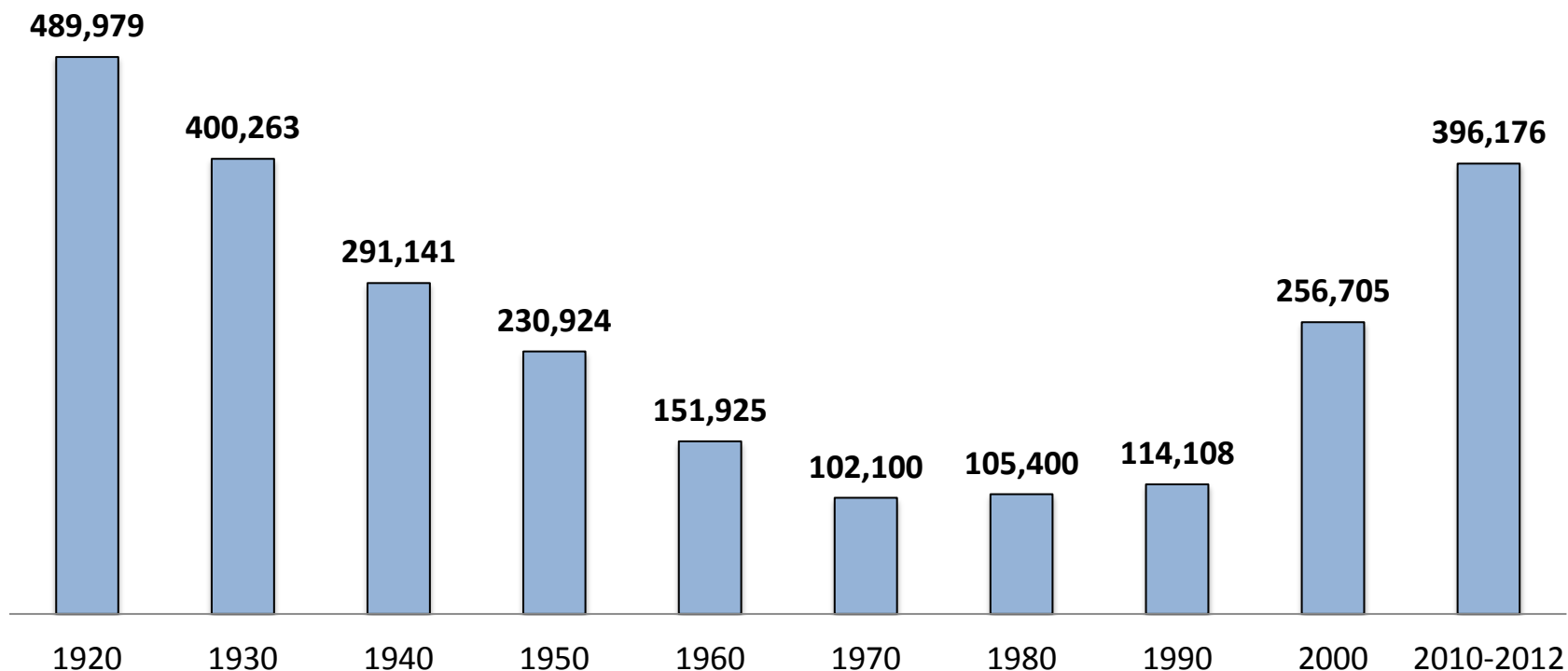


By late 1800s, German, Norwegian and Swedish immigrants began to arrive in MN in great numbers



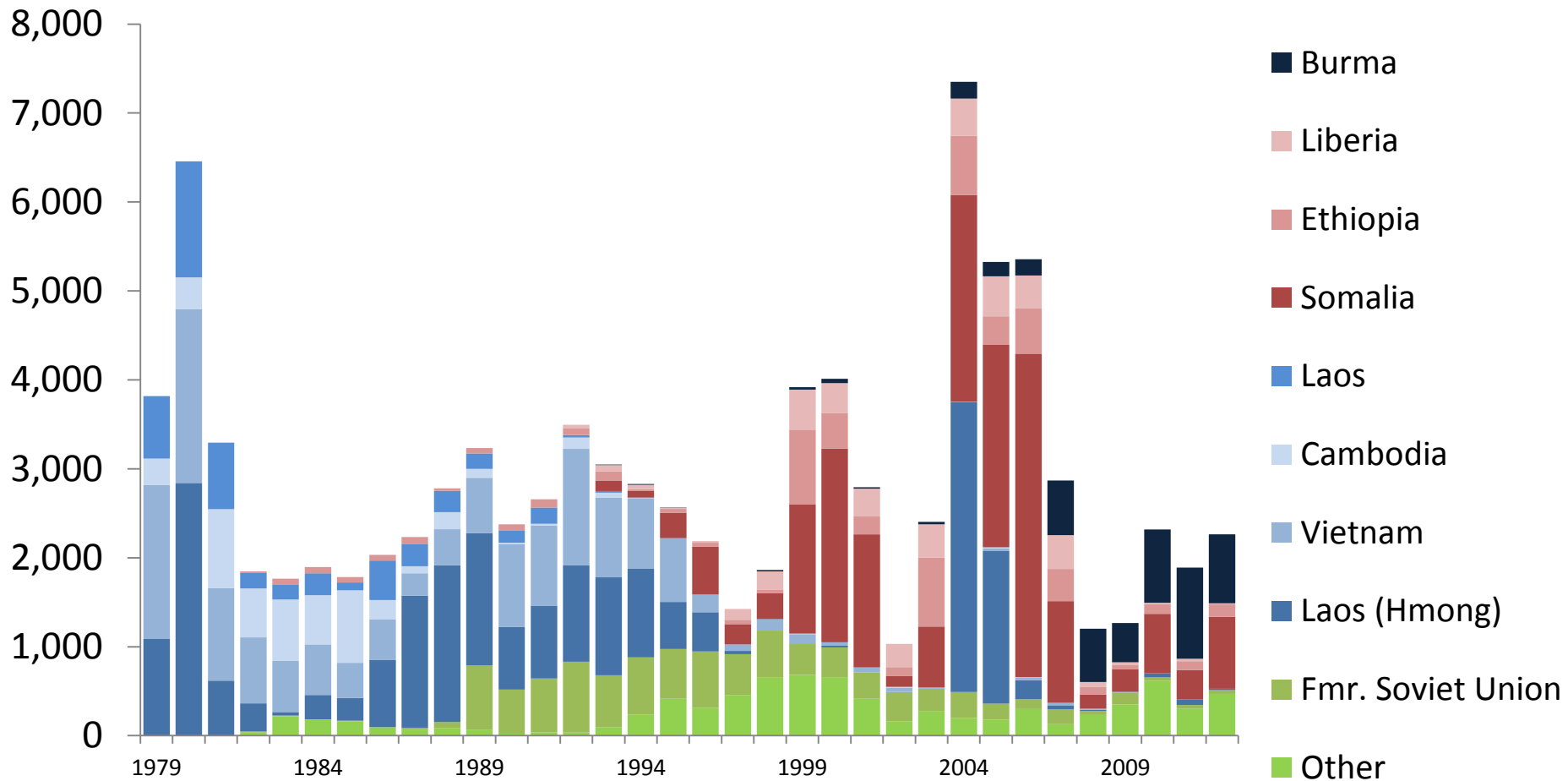
Source: MNCompass tabulations of IPUMS version of U.S. Census Bureau decennial censuses and 2009-2011 American Community Survey

Number of foreign-born in Minnesota, 1920-2012



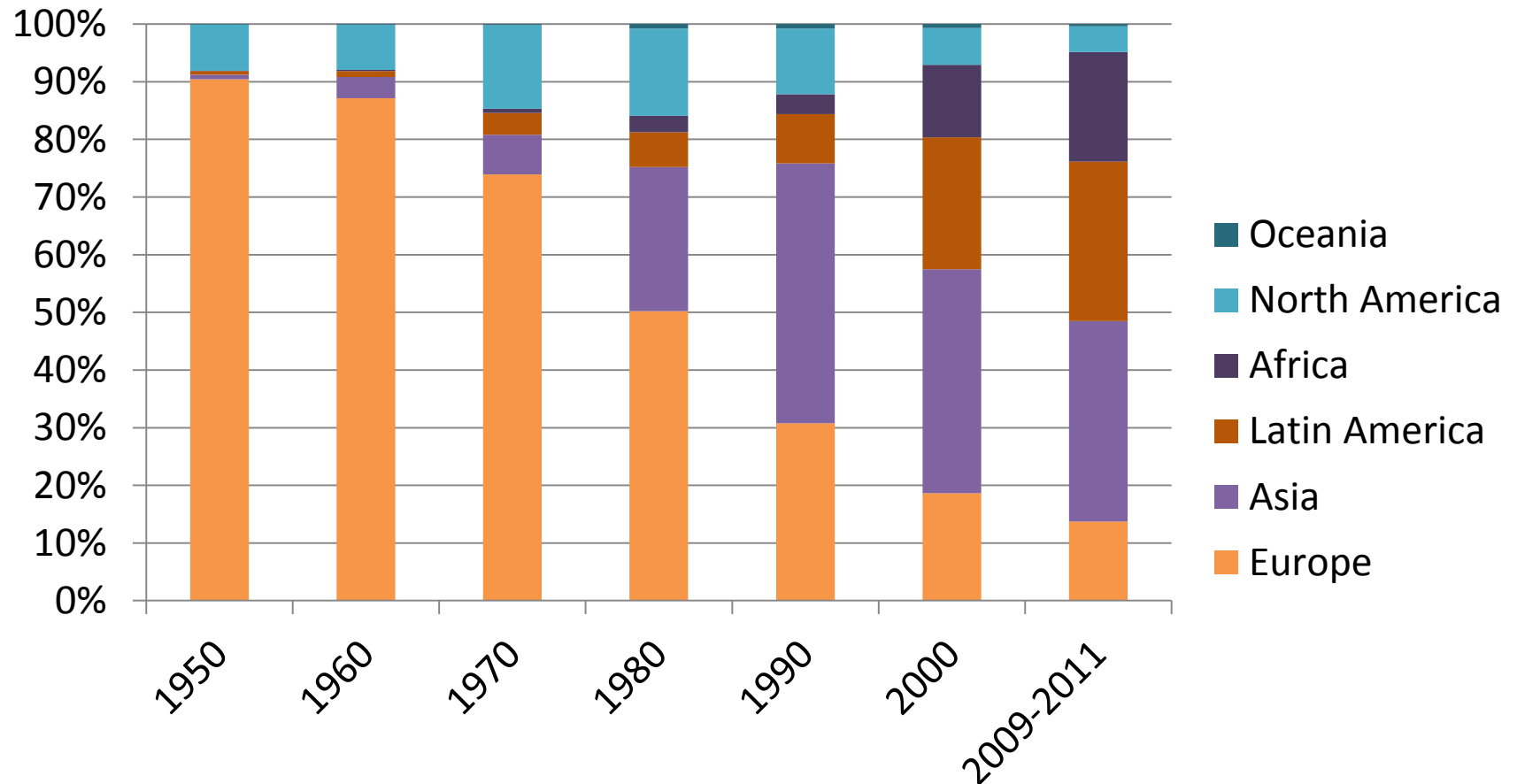
Source: IPUMS version of U.S. Census Bureau's decennial censuses and 2010-2012 American Community Survey, Tabulated by MN State Demographic Center.

Primary Refugee Arrivals to MN 1979-2012



Source: Department of Homeland Security, Primary Refugee Arrivals to MN.

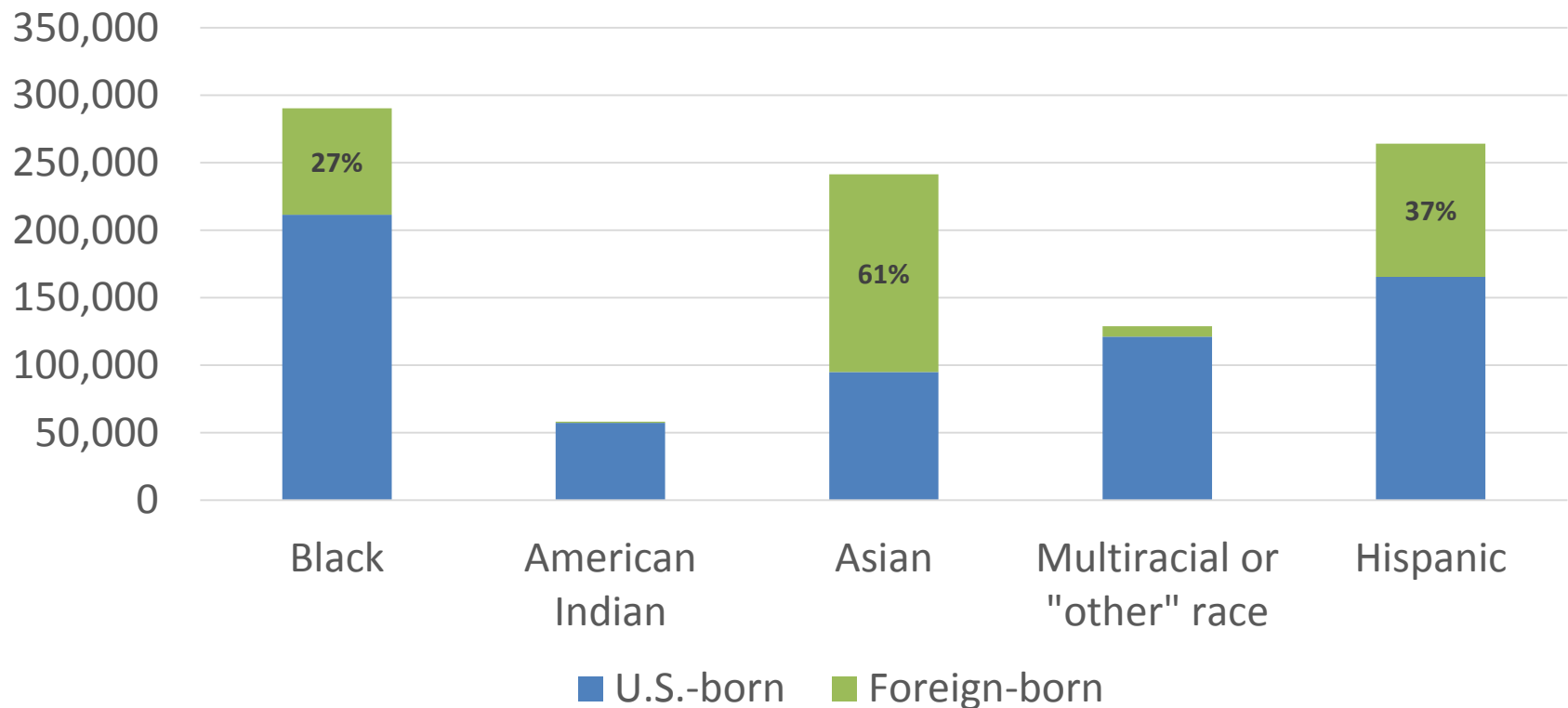
Minnesota's foreign-born population has become increasingly diverse



Source: Tabulated by the Minnesota State Demographic Center from the Integrated Public Use Microdata Series

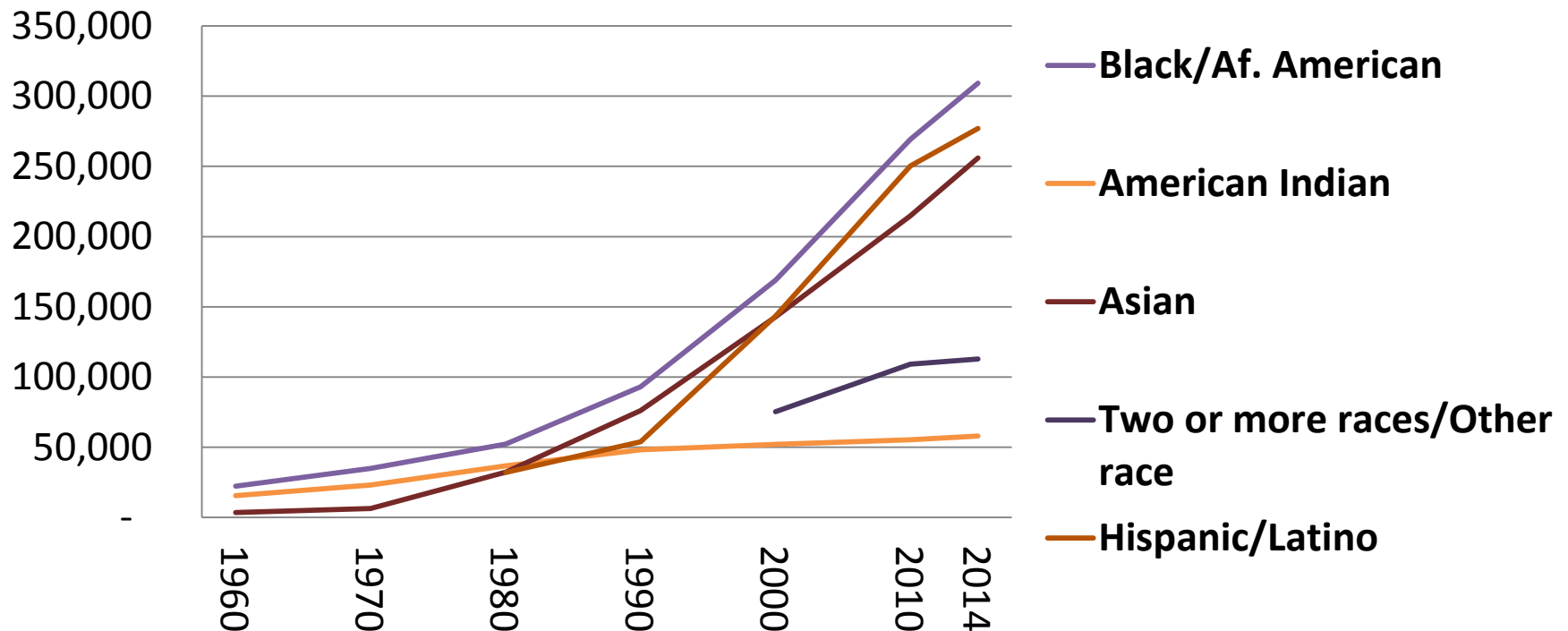
About 400,000 foreign-born among MN populations of Color

Minnesota populations of Color,
by nativity, 2013



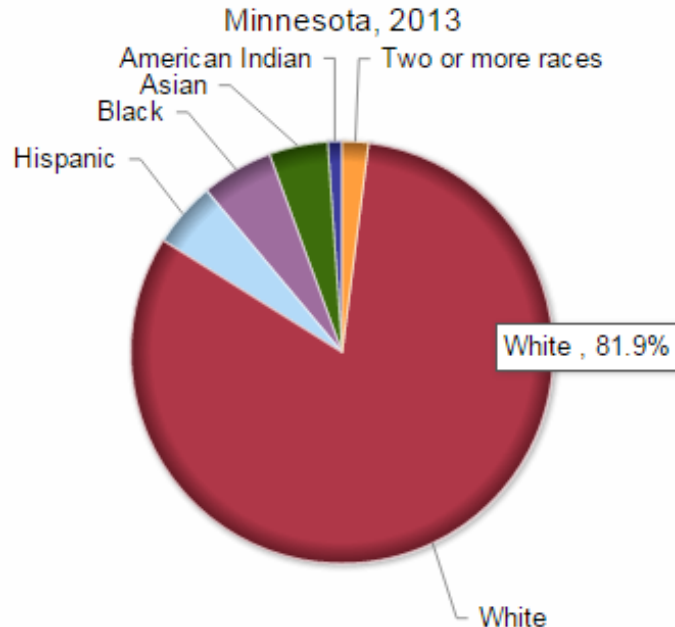
Populations of Color now total 1 million in MN, 19% of the population

Populations of color in Minnesota



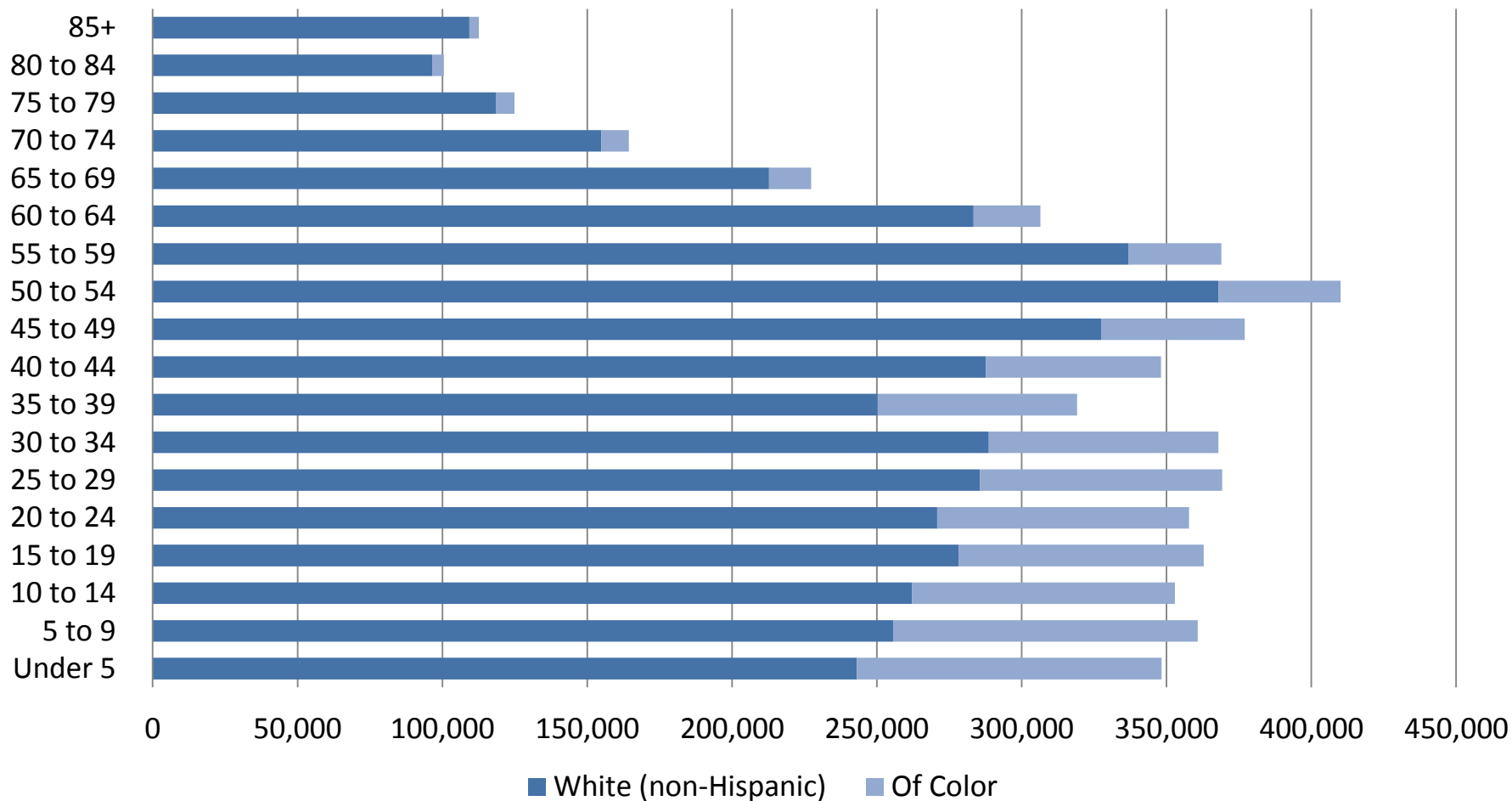
MN today by race/ethnicity (Hispanics removed from all other race groups)

Population by racial and ethnic group



- 82% White
- 6% Black
- 5% Hispanic
- 5% Asian
- 2% Multiracial
- 1% American Indian

Minnesota's population by age and race groups



Sources: U.S. Census Bureau, 2012 population estimates

Which MN kids are leaving high school in 4 years with a diploma? (2014 data)

- 81% of all public high school students
- 51% of American Indian students
- 82% of Asian students
- 63% of Hispanic students
- 60% of Black students
- 86% of White students

Two fastest growing demographic groups in MN



The Economic Status of Minnesotans

A Chartbook With Data For 17 Cultural Groups

JANUARY 2016



Minnesota State
Demographic Center

mn.gov/demography

All data in the report refer to the annual average during years 2010 to 2014. Report is available off our homepage at mn.gov/demography or direct at <http://bit.ly/1OKVT5I>

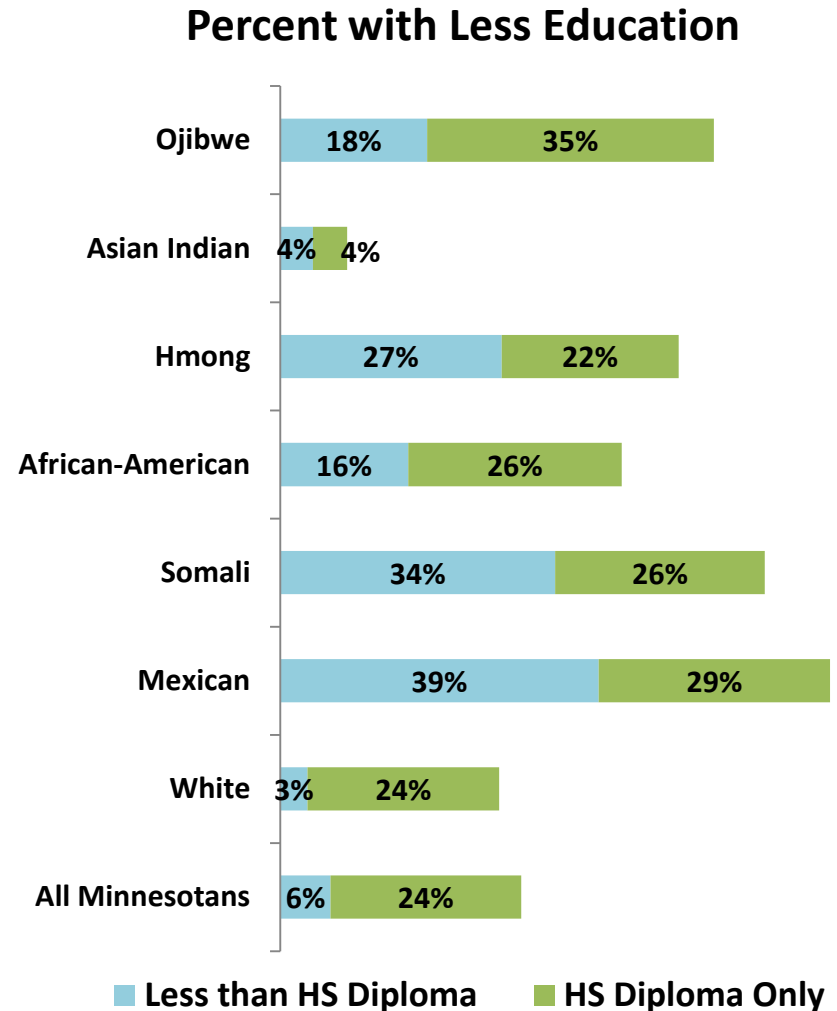
Cultural Groups, by Size



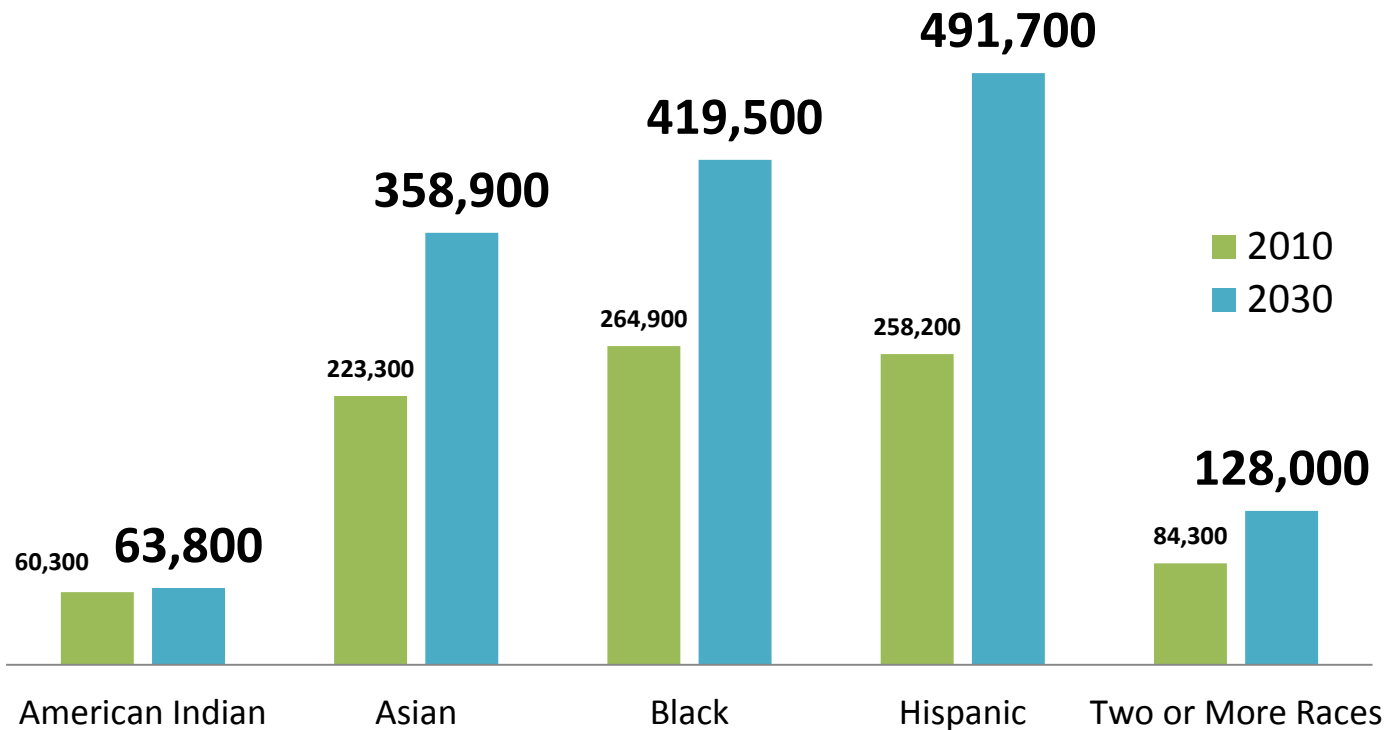
Cultural Group	Percent	People
White	82.1%	4,417,700
African-American	4.0%	216,700
Mexican	3.4%	184,100
Hmong	1.2%	66,600
Somali	0.9%	46,300
Asian Indian	0.8%	42,800
Ojibwe	0.6%	33,500
Vietnamese	0.6%	29,800
Chinese	0.5%	29,400
Korean	0.4%	22,500
Ethiopian	0.3%	17,000
Filipino	0.3%	14,100
Liberian	0.3%	14,000
Puerto Rican	0.2%	12,500
Lao	0.2%	12,100
Russian	0.2%	9,900
Dakota	0.1%	6,100
<i>Not in above group</i>	3.9%	207,200
All Minnesotans	100%	5,382,400

Minnesotans With Less Education, Ages 25-64

	No H.S. Diploma/ GED	H.S. Diploma/ GED
Ojibwe	3,200	6,200
Asian Indian	1,100	1,100
Hmong	7,400	5,900
African-American	15,300	25,500
Somali	6,000	4,500
Mexican	32,200	23,400
White	81,700	573,800
All Minnesotans	179,600	677,500



MN: Largest growth among Asian, Black and Hispanic groups by 2030



Take-away thoughts for those contemplating these trends

- All areas of the state will feel the effects of an aging population. **Health care and long-term care** will become cost-drivers of public budgets. How will we balance this with other public needs?
- **As Baby Boomers retire, a tightening labor force** will create new opportunities for workers, but will place strain on employers. The search for skilled hands and minds will intensify (here and across much of the globe).
- Fewer workers relative to older adults puts a premium on **developing, retaining, and attracting skilled workers and business leaders** — to fuel continued economic growth.
- Minnesota's **communities, workplaces, and markets for business will grow more diverse** in the decades to come. The success of populations of Color is essential for our state's overall success.

Closing thought:
Demographics will shape the future...
but not completely determine it



Minnesota State Demographic Center

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